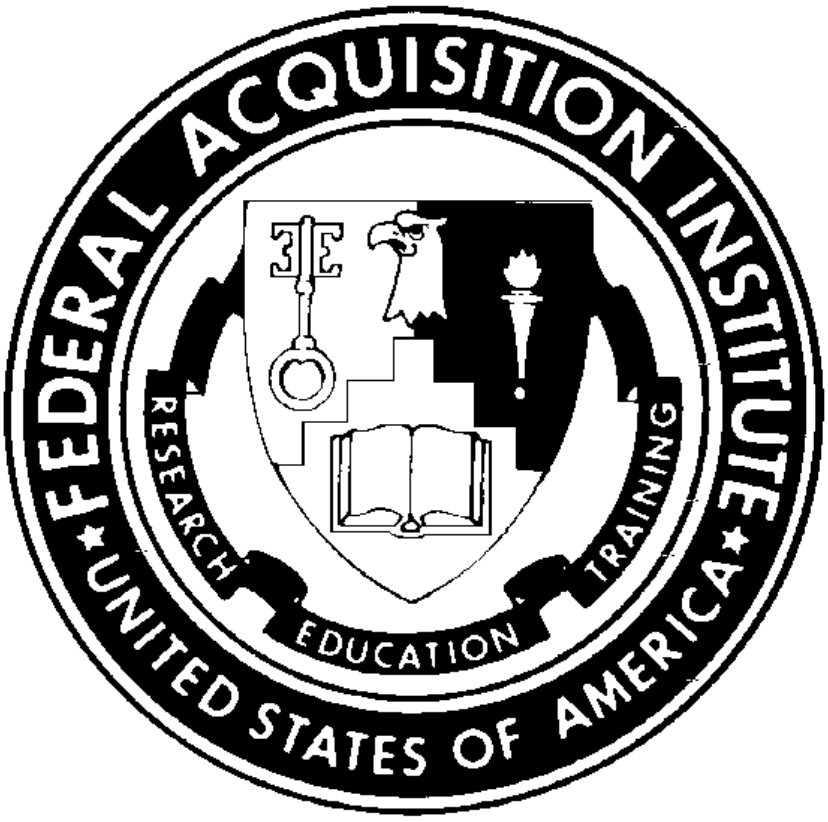
CONTRACT SPECIALIST WORKBOOK

Third Edition

(Revised Through FAC 97-10)



"A How To Guide For Performing
85 Essential Contracting & Purchasing Duties"

Federal Acquisition Institute
February 1999

PREFACE

CONTRACT SPECIALIST WORKBOOK, THIRD EDITION

This is the first complete edition of the Workbook since 1993. This edition:

- Incorporates changes to the Federal Acquisition Regulation (FAR) pursuant to the "Federal Acquisition Streamlining Act", the "Clinger-Cohen Act of 1996" (aka the "Federal Acquisition Reform Act"), and other reforms in the policies and organization of FAR Parts 13 and 15.
- Incorporates simplified acquisition procedures (other than micro-purchasing procedures).
- Remaps the entire acquisition process— by adding new Units that reflect new duties, repositioning and renumbering nearly every Unit, and by revising and improving flowcharts of the overall process and the steps in performing the duties represented in each Unit.
- Includes a masterplan for a universal contracting curriculum, developed and maintained jointly by the Defense Acquisition University (DAU) and the Federal Acquisition Institute (FAI).
- Will be transformed over the next five years into an interactive, Internet-based "Contract Specialist Mentor" — designed to help the user on a day-to-day basis perform every critical duty represented in this Workbook by a Unit of Instruction.
- Is also being transformed by the National Association of Purchasing Management and Arizona State University, through a cooperative agreement with FAI, into a generic Purchasing Management Mentor and Inter-based undergraduate and graduate curriculum in contracts and purchasing.

Updates

The FAI maintains the Workbook on a semi-real time basis at: http://www.gsa.gov/fai

PDF Version

When using the PDF version, be sure to take advantage of the bookmarks – we have bookmarked every Unit and every Tab.

CHANGE PAGES

FACs 97-07 Through 97-10

Unit	*Basis For Change*	*Nature Of Change*	*Changed Pages*
Tab B1, Duty 16	FAC 97-09 §4.5	Deletes FACNET references	6
Tab B3	FAC 97-09 §4.5	Deletes FACNET references	4
04 Funding	FAC 97-09 §32.703-3	Identifies NASA as the only agency now without authority to obligate current year funds for a service contract (or an order under a task order contract or an option) for a period of performance that ends in the following fiscal year	4-4
06 Requirement Documents	FAC 97-09 §4.5	Replaces references to FACNET with references to the Governmentwide Point of Entry (GPE)	6-13
09 Sources	FAC 97-09 §4.5 & 13.102(a)	Deletes FACNET references; adds reference to SBA's PRO-Net	9-3; 9-9
10 Competition Requirements	FAC 97-09 §4.5 & §5.101(a)(2)(ii)	Replaces references to FACNET with references to the Governmentwide Point of Entry (GPE)	10-2; 10-3; 10-6; 10-7
11 Set Asides	FAC 97-10 §19.13	HUBZone Set-Asides	All
14 Price-Related Factors	FAC 97-10 §19.1307	Price evaluation preference for HUBZone small business concerns.	14-2; 14-5
15 Non-Price Evaluation Factors.	FAC 97-07 §15.304(b)(4), 19.201 & 19.1202. FAC 97-09 §5.101(a)(2)(ii)	Extent of participation of SDB concerns in contract performance as a mandatory evaluation factor in unrestricted acquisitions expected to exceed $500,000 ($1,000,000 for construction) Replaces references to FACNET with references to the Governmentwide Point of Entry (GPE)	15-2; 15-6; 15-7
16 Method of Procurement or Purchasing	FAC 97-09 §4.5	Defines "single, Governmentwide Point of Entry" (GPE) and makes the GPE an alternative to FACNET (although FACNET is currently the only designated GPE, but not for long)	16-1; 16-8
22 Method of Payment	FAC 97-09 §4.5	Deletes reference to abolished FAR section.	22-2
24 Publicizing Proposed Procurements	FAC 97-09 §5.101(a)(2)(ii)	Replaces reference to FACNET with reference to the GPE	24-4
26 Solicitation Preparation	FAC 97-09 §4.5	Replaces references to FACNET input screens with a reference to electronic commerce input screens.	26-1; 26-7

26 Solicitation Preparation	FAC 97-09 §5.102(a)(7)	Notes that you may limit availability of the solicitation to the applicable electronic medium when employing electronic commerce; and incorporates the requirement to make copies of the RFP available to non-solicited firms when you have determined to restrict competition under FAR Part 6.	26-8; 26-15; 26-23
29 Amending / Canceling Solicitations	FAC 97-09 §4.5	Replaces a reference to FACNET transactions with a reference to electronic commerce transactions.	29-6
36 Applying Past Performance, Technical, And Other Non-Price Factors.	FAC 97-07 §19.12	Applying the SDB factor; evaluating past performance of offerors in complying with subcontracting plan goals for SDB concerns, monetary targets for SDB participation, and notifications submitted under 19.1202-4(b).	36-2
48 Responsibility	FAC 97-10 §19.7	Changes in DoL EEO clearance requirements.	48-9
49 Subcontracting Requirements.	FAC 97-07 §19.12	Negotiating monetary incentives or award fee factors for exceeding monetary targets for SDB participation per FAR 19.1203.	49-2; 49-8
49 Subcontracting Requirements.	FAC 97-10 §19.7	Subcontracting with HUBZone small business concerns.	All
51 Issuing Awards & Related Notices	FAC 97-10 §15.503	Notices of awards based on HUBZone procedures.	51-4
53 Protests	FAC 97-10 §19.202-5 & 19.306	Protesting representation as a HUBZone small business concern.	53-3; 53-19
56 Consent to Subcontracts	FAC 97-10 §44.302	Indicates that ACOs are obliged to consider a CPSR if a contractor's sales to the Government (excluding competitively awarded firm-fixed-price and competitively awarded fixed-price with economic price adjustment contracts and sales of commercial items pursuant to Part 12) are expected to exceed $25 million during the next year.	56-10
57 Subcontracting Requirements.	FAC 97-07 §19.12	Requirement that contractors report substitutions of non-SDB concerns for SDB concerns listed in the contract; determining the incentive or award fee payment for exceeding SDB monetary targets.	57-02; 57-04
60 Task & Delivery Order Contracting	FAC 90-10 §16.504	Notes that quantity limits may be expressed either in terms of number of units or dollar values.	60-6
67 Invoices	FAC 97-09 §32.908	Note that an agency can amend the clause at 52.232-25 to specify a period shorter than 30 days, but not less than 7 days, for making contractor invoice payments.	67-9

82 Claims	FAC 97-09 §33.214	When rejecting a contractor's request, the CO must provide a written explanation to the contractor regardless of whether or not the contractor is a small business (the prior FAR language obliged the CO to provide such explanations only to small businesses).	82-6

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TAB A

USER'S GUIDE TO THE WORKBOOK

TAB A: USER'S GUIDE TO THE WORKBOOK

IF YOU ARE:

A Supervisor or Manager of Contract Specialists …

This Workbook can be your tool for planning, evaluating, and documenting classroom and on-the-job training for your employees. Keep one office copy of the Workbook for your own use. Give each trainee a copy to keep at his or her desk.

In particular, see:

TAB B	"Guidelines For Training Contract Specialists." This recommends goals and steps in training Contract Specialists.
TAB B1	"Employee Interview." You can use this form to interview your employees as the first step in preparing their Individual Development Plans. The interview's purpose is to pinpoint duties in which a Contract Specialist needs additional training.
TAB B2	"GS-1102 Individual Development Plan." You can use this form to record, schedule, and document coursework and OJT assignments.
TAB B3	"Acquisition Reform Training." The tables behind this Tab can help you identify duties in which your employees may need retraining to implement acquisition reforms.
TAB C	"Procurement Process Charts." These provide an overview of the Federal Procurement Process and can serve as a tool for orienting newly hired employees.
TAB D1	"Units of Instruction By Title and Part." This lists the Units of Instruction in the same order as the Procurement Process Charts. It is a handy aid for "looking up" any specific duty.
TABS D3-D5	Behind these tabs are Units of Instruction—one for each of 85 duties plus an "Orientation" Unit. If an employee has never performed a duty, have the employee read the related Unit as the starting point for on-the-job instruction.

TAB A: USER'S GUIDE TO THE WORKBOOK

IF YOU ARE:

A Contract Specialist …

You can use this Workbook for one or more of the following purposes:

As a guide to performing 85 Contract Management duties.

To identify and report your training needs.

In particular, see:

TAB B1	"Employee Interview." Use this form to pinpoint duties in which you need additional classroom and on-the-job training.
TAB B2	"GS-1102 Individual Development Plan" (IDP). You can use this form to identify, schedule, and document coursework and on-the-job training to advance your career. The more duties you are competent to perform, the greater your opportunities for advancement.
TAB B3	"Acquisition Reform Training." Use this Tab to identify duties in which you may need retraining to implement acquisition reforms.
TAB C	"Procurement Process Charts." These provide an overview of the Federal Procurement Process.
TAB D1	"Units of Instruction By Title and Part." This lists the Units of Instruction in the same order as the Procurement Process Charts. It is a handy aid for "looking up" any specific duty.
TAB D2	"Organization and Format"— describes a typical Unit of Instruction and the purpose of each section of the Unit.
TABS D3-D5	Behind these tabs are Units of Instruction—one for each of 85 duties and an "Orientation" Unit. Each Unit: • States the duty and standard for performing it. • Lists all FAR sections that apply to performance of the duty. • Flowcharts the steps in performing the duty. • Provides a step by step, task by task breakdown of the duty.

TAB A: USER'S GUIDE TO THE WORKBOOK

IF YOU ARE:

An Educator or Instructor …

This Workbook provides the essential foundation for developing instructional or educational materials for 85 Contract Management duties. In particular, see:

TAB C	"Procurement Process Charts." These provide an overview of the Federal Procurement Process.
TAB D1	"Units of Instruction By Title and Part." This lists the Units of Instruction in the same order as the Procurement Process Charts.
TAB D2	"Organization and Format"—describes a typical Unit of Instruction and the educational purposes of each section of the Unit.
TABS D3-D5	Behind these tabs are the 85 Units, each corresponding to a Contract Management Duty, along with an "Orientation" Unit. Each Unit represents a complete blueprint for training the duty, including a Terminal Learning Objective and related Enabling Objectives. (Note—Multi-Part Units have a separate Terminal Learning Objective for each Part.)
TAB D7	"FAI/DAU Course Outlines." Presents plans of instruction for courses under development by the Defense Acquisition University and the Federal Acquisition Institute.
TAB D8	"FAR Cross Reference." Lists all sections of the FAR cited in the Units, in alpha-numeric order, cross referenced against the Units.

This Workbook is available to Educators and Instructors in both hardcopy and electronic versions. Contract the Federal Acquisition Institute for more details.

Inquiries and Comments

We welcome any inquiries about this document and its potential uses, as well as any comments on technical accuracy and substance. The FAI address and phone number is:

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Office of Acquisition Policy
General Services Administration
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Washington DC 20405
202-501-0964
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TAB B

GUIDELINES FOR
TRAINING CONTRACT SPECIALISTS

I. Goal Of Training

The Defense Acquisition University and the Federal Acquisition Institute are responsible for developing and maintaining a comprehensive curriculum to systematically develop skill at performing Contracting duties and tasks. The goals of training, correspondingly, are to ensure that all newly hired Contract Specialists:

1. Complete the curriculum required by the employing department or agency.
2. Apply and reinforce skills and knowledge learned in the classroom through on-the-job work assignments, rotational assignments, or simulated exercises.

II. Suggested Steps In Training Contract Specialists

Step 1. Provide the employee with his or her own copy of this Workbook.

Step 2. Interview the employee to determine his or her current proficiency at performing each duty represented by a "Unit of Instruction" in the Workbook. Document the interview on the provided "Employee Interview" form (TAB B1). Consult TAB B3 to identify duties in which an employee may need retraining to implement acquisition reforms.

Use the interview to identify duties that the employee is already competent to perform. An employee may not need on-the-job training in a duty if:

- The employee has performed the duty, and
- The employee's supervisor is satisfied that the employee can satisfactorily perform the duty.

Also use the interview to identify courses already completed by the employee as a basis for determining formal training needs.

Step 3. Prepare an Individual Development Plan (IDP) for the employee, using the form provided in TAB B2. Use the IDP to list courses planned for the employee. For each course, further designate the related "Units of Instruction"— one per duty—for on-the-job training. The IDP also includes blocks for:

- Scheduling classroom and OJT assignments.
- Recording completion of classroom and OJT assignments.

Step 4. Per the IDP, enroll the employee in the courses.

Step 5. Per the IDP, provide on-the-job training. Ideally, the employee should complete all OJT Units related to a given course within six months after completing the course. OJT Units can be completed through such means as: (1) Work Assignments, (2) Rotational Assignments, or (3) Special Projects.

Step 6. Periodically monitor the employee's progress.

Step 7. When the employee has completed all training in the IDP, consider awarding a certificate to the employee or otherwise provide recognition for this accomplishment.

EMPLOYEE INTERVIEW

Use this form to interview each Contract Specialist (GS-1102) as the basis for on-the-job training and to identify the need for additional coursework.

PART A. ON-THE-JOB TRAINING

If the employee needs additional on-the-job training in the duty, check YES. You may use the next block to document plans for on-the-job training in the duty.

Note: See TAB B3, "Acquisition Reform Training", to identify Duties and the related Units of Instruction from TAB D in which an employee may need to be retrained if the employee has been assigned any of the following responsibilities:

- Establish multiple award task and delivery order contracts; order against such contracts.
- Acquire supplies and services through simplified acquisition procedures.
- Acquire "commercial items" as prescribed by FAR Part 12.
- Apply the source selection policies and procedures of FAR Part 15, as revised by FAC 97-02.
- Implement the reform of affirmative action in Federal Procurement (FAC 97-06 through 97-08).
- Give preference to environmentally sound supplies and services.
- Document, collect, and apply past performance information.
- Perform cost and price analysis using pricing information other than cost or pricing data (whether from the offerors, other sources, or both).
- Determine applicability of, and where applicable, use new methods of commercial and non-commercial financing.
- Conduct "performance-based" contracting for services.

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
1	**Forecasting Requirements/Acquisition Strategy** — Collect data from requirements managers on future acquisition requirements. Advise the managers on policies and long-range strategies for enhancing competition, minimizing costs, reducing lead-times, etc. Plan and organize to meet the anticipated, aggregate requirements.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
2	**Acquisition Planning** — Assist managers in preparing written, formal acquisition plans.		
3	**Purchase Requests** — Review the purchase request (PR), obtain additional information and corrections to complete the PR, accept the PR, establish the contract file, and control data on the acquisition.		
4	**Funding** — Determine if sufficient, applicable funds have been committed prior to solicitation.		
5	**Market Research — Market Investigation & Early Exchanges.** Obtain data from acquisition histories and other in-office sources. Collect and compile additional market information. Determine whether and how to initiate exchanges of information with prospective offerors prior to soliciting. Coordinate and participate in early exchanges.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
6	**Requirements Documents** — Review and critique proposed Requirement Documents (RDs) and SOWs. Determine (1) commerciality (e.g., whether FAR part 12 applies) and (2) whether or not to procure through Simplified Acquisition Procedures (SAP).		
7	**Use of Government Property and Supply Sources** — Determine whether to furnish Government property, authorize a contractor to acquire "contractor acquired Government property", and/or authorize use of Government supply sources by the contractor.).		
8	**Services** — Screen PRs for requests to acquire personal services or advisory and assistance services. Determine whether there is sufficient justification, approvals, and legal authority to make such acquisitions. Where applicable, request Wage Determinations for incorporation in the solicitation.		
9	**Sources** — Screen purchase requests against (1) required sources of supply and existing indefinite delivery contracts and agreements; (2) QBLs, QMLs, and QPLs; and (3) interagency sources. If none apply, develop and maintain an open market source list.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
10	**Competition Requirements**— When acquiring supplies or services through SAP, determine whether to solicit from only one source or a limited number of sources. Otherwise, determine whether to meet the requirement through "other than full and open competition" or after the exclusion of sources.		
10B	**Unsolicited Proposals**—Process unsolicited proposals and determine whether to noncompetitively acquire the offered services.		
11	**Set-Asides** — Determine whether the procurement will be set-aside in part or in whole for small business concerns.		
12	**8(a) Procurements** — Determine whether to obtain the supply or service under the 8(a) program and, where appropriate, award an 8(a) contract.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
13	**Unsolicited Proposals**—Process unsolicited proposals and determine whether to noncompetitively acquire the offered services.		
13	**Lease Vs. Purchase —** Determine whether to solicit for lease, purchase, or both. Compare offers to sell property to the Government against offers to lease the property to the Government. Determine whether purchase or lease represents the lowest total discounted cost to the Government.		
14	**Price Related Factors**—Identify applicable factors (e.g., multiple award, Buy American, energy efficiency, transportation, life cycle costs) for the solicitation.		
15	**Non-Price Factors —** Select non-price evaluation factors (if any) for award and determine how the Government will apply the factors (i.e., as go/no-go or ranking factors). Determine whether to award to the "lowest priced, technically acceptable" quote or offer or through a "trade-off analysis."		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
16	**Method of Procurement or Purchasing** — If award is to be made under FAR Part 13, determine the method for soliciting quotes. (e.g., FACNET, oral, written RFQ, or electronic channels other than FACNET). Otherwise, determine whether to use sealed bidding, two-step sealed bidding, or FAR Part 15 procedures.		
17	**Contract Type (Pricing Arrangement)** — Identify and solicit the type of contractual pricing arrangement (e.g., FFP, FP-EPA, FPI, FPR, CPFF, CP-AF, CPIF, et. al.) that will best mitigate and apportion expected risks. Develop terms for adjusting price when soliciting FP-EPA, FPI, FPAF, or FP-Redeterminable contracts. Develop terms for adjusting the fee when soliciting CPIF or CPAF contracts. Develop terms for soliciting time and material or labor hour contracts.		
18	**Recurring Requirements** — Determine appropriate method (if any) to solicit for currently unfunded, prospective requirements. Among the alternatives: Blanket Purchase Agreements, Options, Indefinite Task/ Delivery Order contracts, and/or multiyear clauses (e.g., FAR 52.217-1).		
19	**Unpriced Contracts (letter contracts & unpriced purchase orders)** — Determine whether to use a letter contract; draft and issue letter contracts. Determine whether to use an unpriced order; draft and issue unpriced orders.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
20.1	**Contract Financing for Commercial Contracts** — Determine whether to solicit based on no buyer financing, specified buyer financing, or buyer financing as an evaluation factor.		
20.2	**Noncommercial Contract Financing** — Determine the type (if any) of Government financing to make available (e.g., progress payments, advance payments, guaranteed loans, performance-based payments, etc.).		
21	**Need For Bonds —** Determine whether bonds are required or necessary to protect the Government from market risks.		
22	**Method of Payment**—Determine the method of payment (i.e., electronic funds transfer, IMPAC card, traditional billing, et. al.).		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
23	**Procurement Plans** — Establish milestones for solicitation, evaluation, and award tasks. Identify responsible parties and assign tasks.		
24	**Publicizing Proposed Procurements** — If required, prepare and forward the CBD notice. If required, post RFQs. Select and employ any other method for publicizing the requirement.		
25	**Oral Solicitation** — Solicit quotes by phone or fax.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
26	**Solicitation Preparation** — For FAR Part 12 acquisitions: identify, complete, and incorporate FAR Part 12 clauses and provisions in the Request for Proposals (RFP), Invitation for Bids (IFB), or Request for Quotations (RFQ). Incorporate other terms and conditions required for the acquisition. Identify customary commercial terms and conditions and determine which to incorporate (if any). Prepare the SF 1449 and addenda (if any) to incorporate customary commercial terms and conditions. Make the solicitation available to interested parties. For other acquisitions, identify and incorporate provisions and clauses that apply to the acquisition. Assemble the RFQ, IFB, or RFP. Make the solicitation available to interested parties. Make the solicitation available to interested parties.		
27	**Preaward Inquiries** — Answer sensitive questions about the solicitation. Process Freedom of Information requests.		
28	**Prequote/ Prebid/Preproposal Conferences** — Provide offerors with a public forum to review the site (if any), question the solicitation, and express any concerns about the solicitation.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
29A & 29B	**Amending/Canceling Solicitations** — Determine whether there is a need to amend or cancel the solicitation. If an amendment is necessary, prepare and issue it. If the decision is to cancel, cancel the solicitation.		
30	**Processing Bids**—Receive and control bids submitted against an Invitation for Bids. Determine whether to postpone the bid opening. Open and abstract bids.		
31	**Bid Acceptance Periods**—Identify the acceptance period for the low bid. If award will be delayed, ask the low bidders to extend the period for accepting their bids.		
32	**Late Offers**—Determine whether a "late" offer or quotation may be considered for award.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
33	**Bid Prices**—Applying the price related factors in the IFB, identify the low bid for each potential award against the IFB. Determine the reasonableness of the lowest price bid. Select the appropriate option if the lowest price is unreasonably high (e.g., cancellation) or unreasonably low (e.g., verification of the bid).		
34	**Responsiveness**—Determine whether the lowest bid is responsive to the terms and conditions of the IFB. Resolve minor informalities and irregularities. Reject nonresponsive bids.		
35	**Processing Quotes and Proposals** — Receive and control proposals/quotes. Resolve late offers/quotes. Identify and request the services of technical and other personnel for proposal evaluation.		
36	**Applying Past Performance, Technical and Other Nonprice Factors** — Review findings and recommendations of technical personnel on (a) technical acceptability of the offer/ quote, (b) technical deficiencies, and (c) the relative standing of the offers/quotes based on nonprice factors.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
37	**Price Analysis (Negotiation)—** Prior to soliciting: (1) critique the Purchase Request estimate, (2) collect price-related information when researching markets, (3) forecast likely prices, and (4) investigate potential tradeoffs between expected prices and proposed solicitation terms and conditions. After receipt of quotes/offers: Apply price related factors in the solicitation &/or offers/quotes; evaluate and compare prices. Determine the realism and reasonableness of proposed prices, make price-related decisions, and develop price-related prenegotiation objectives for discussions (if any) with vendors.		
38	**Pricing Information From Offerors** — Determine whether certified cost or price data are required, request the data, and obtain the certificate. Determine the need for information from offerors other than cost or pricing data.		
39	**Audits** — Determine whether to audit the submitted cost and pricing data or other pricing information. Obtain and review audit reports.		
40	**Cost Analysis** — Develop prenegotiation positions on proposed elements of cost and/or fee		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
41	**Evaluating Other Terms and Conditions --** Develop prenegotiation positions on terms and conditions other than price.		
42	**Award Without Discussions —** Determine whether to award without discussions; make such awards.		
43	**Communications/Factfinding** — Identify and collect information from the offeror necessary to complete the Government's analysis of the proposal.		
44	**Extent of Discussions (Competitive Range)** — FAR Part 15: Define the competitive range and notify offerors outside the range. FAR Part 13: Determine necessity and extent of discussions with one or more of the quoters. Select vendors for discussions.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
45	**Negotiation Strategy** — Prepare a prenegotiation plan which establishes objectives, priorities, and potential tradeoffs for discussions with the offeror/quoter. Brief the plan and rehearse the discussions. Prepare an agenda for the discussions.		
46	**Conducting Discussions/Negotiations** — Conduct one or more negotiation sessions and document in the contract file the principal elements of the negotiated agreement. • In a sole source situation. • As part of a competitive procurement. • As part of a post award negotiation (e.g., a contract modification).		
47	**Debriefing** — As requested, debrief vendors.		
48	**Responsibility** — Determine whether the offeror meets the general and any special standards of responsibility.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
49	**Subcontracting Requirements** — Where required, obtain a subcontracting plan from the offeror and negotiate improvements to it. Negotiate make or buy programs.		
50	**Preparing Awards** — FAR Part 13 Procurements: Select contractor. Prepare purchase orders and document award. FAR Part 14 and 15 procurements: Reverify funding. Make or obtain final source selection decision. Prepare contract and document the recommendation for award. Obtain approvals for awarding the contract.		
51	**Issuing Awards and Related Notices** — Execute the contract. Notify the awardee and other parties, as required.		
52	**Mistakes In Offers** — Pre-award mistakes in bids: Identify potential mistakes; verify bids; resolve alleged mistakes. Post-award mistakes: Investigate and resolve mistakes alleged after award.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
53	**Protests** — Research and prepare positions on protests of the award. Respond to the protests as provided in the procedures for the forum or forums in which the protest has been filed—the agency, GAO, SBA (protests re: eligibility for set asides), or the courts. Resolve protests through ADR.		
54	**Contract Administration Planning—**Review the contract and related acquisition histories. Determine the criticality of the contract. Identify key milestones. Delegate authority to CORs, COTRs, and/or ACOs.		
55	**Post-Award Orientations—**Determine whether to orient the contractor. Determine the method (phone, letter, or conference). Conduct post-award orientation conferences.		
56	**Consent to Subcontracts —** Determine whether consent is required under the terms and conditions of the contract. Obtain proposed subcontracts. Consent or nonconsent. Determine whether and when to review the contractor's purchasing system. Negotiate improvements and monitor implementation. Take measures to protect the Government if the purchasing system is deficient. Monitor compliance with make-or-buy plans.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
57	**Subcontracting Requirements —** Monitor contractor performance against subcontracting plans and other clauses regarding the placement of subcontracts with small businesses, women-owned businesses, and the like. Where necessary, invoke applicable remedies.		
58	**Contract Modifications —** Review proposed modifications against the scope of work and availability of funds. Determine whether to modify the contract and the type of modification to employ. Implement the modification.		
59	**Options —** Reverify the reasonableness of an option price, through a formal solicitation or market research. Determine whether to exercise the option. Notify the contractor.		
60	**Task Order and Delivery Order Contracting** — Establish task and delivery order contracts. Issue orders for supplies and services from FAR Part 8 sources. Issue orders against single award task and delivery order contracts. Order against a multiple award task or delivery order contract. Determine whether to order against the BOA; prepare and issue orders against BOAs.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
61	**Monitoring, Inspection, and Acceptance —** Monitor performance by contractor and Government personnel against the contract schedule. Respond to contractor requests and perform any other actions required of the contracting officer. Inform the contractor of any problems or potential breaches. Informally resolve problems. Respond to complaints by contractor employees of reprisals for disclosing substantial violations of law.		
62	**Delays —** Determine whether delay is excusable and negotiate consideration when acquiring commercial and non-commercial items.		
63	**Stop Work —** Determine whether to stop work; prepare and issue the stop work order. Unless the contract is terminated, initiate resumption of work and modify the contract as necessary.		
64	**Commercial/Simplified Acquisition Remedies —** Identify contractual remedies. Determine which remedy, if any, applies. Employ the remedy. Potential remedies include (a) rejection of nonconforming deliverables before and after acceptance, (c) rights under a warranty or guarantee clause, (d) rights under warranties of merchantability or fitness for a particular purpose, and (e) cure notices.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
65	**Noncommercial Remedies —** Identify contractual remedies. Determine which remedy, if any, applies. Employ the remedy. Potential remedies include (a) liquidated damages, (b) rejection of nonconforming deliverables prior to acceptance, (c) rights under a warranty or guarantee, (d) consideration for acceptance due to fraud, gross mistake, or latent defect, and (e) cure or show cause notices.		
66	**Documenting Past Performance —** Obtain performance information from the requiring activity and other Government sources. Invite contractor comments. Reconcile discrepancies between the contractor version of events with reported past performance information. Document the file.		
67	**Invoices —** Identify withholdings and deductions. Instruct payment office.		
68	**Assignment of Claims —** Review requests for assignment of claims. Execute receipt of Notice of Assignment; approve release.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
69	**Administering Securities —** Administer bonds. Obtain new bonds if the surety is disqualified. Provide information on request to the surety.		
70	**Administering Financing Terms.** Commercial Financing: Monitor securities tendered by the contractor. Review requests for payments against contract terms and conditions. Progress Payments: Review requests for progress payments. Monitor liquidation. Where necessary, reduce or suspend payments, adjust liquidation rates, or grant unusual progress payments. Performance-Based Payments: Review requests for payments. Substantiate performance. Determine the degree to which the Government is responsible for failure to meet a scheduled event or criterion. Where necessary, reduce or suspend payments, adjust the payment schedule, or demand repayment.		
71	**Unallowable Costs —** Determine the allowability of invoiced costs. Prepare notice of intent to disallow or actual disallowance. Based on discussions with the contractor, determine whether to withdraw or sustain the notice and/or allow part of the costs.		
72	**Payment of Indirect Costs —** Adjust billing rates as necessary to prevent substantial overpayment or underpayment of indirect costs. Determine applicability of the quick closeout procedure and negotiate final indirect cost rates. Otherwise, obtain final indirect rates from the cognizant agency.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
73	**Limitation of Costs —** If a cost reimbursement contract, determine if the contractor has exceeded 75% of the estimated cost in the Schedule. If a Time & Material or Labor Hour contract, determine if the contractor has exceeded 85% of the ceiling price . Recommend an appropriate option if the contractor will not be able to complete the work within the amount obligated.		
74	**Price and Fee Adjustments —** Where applicable, monitor payments and adjust billing prices. Given the economic price adjustment, incentive or award formula in the contract, establish the final fee or price (or the fee and price for the applicable period).		
75	**Collecting Contractor Debts —** Determine indebtedness. Identify and obtain repayment (e.g., through set-offs; demand letters). Respond to requests for deferment..		
76	**Accounting and Estimating Systems —** Determine the need to audit a contractor's accounting or estimating system. Negotiate improvements and monitor implementation. Take measures to protect the Government if the accounting or estimating system is deficient.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
77	**Cost Accounting Standards —** Determine whether CAS applies to the entity and the type of coverage. Review Disclosure Statements. Notify contractor of noncompliance. Review proposed accounting changes. Negotiate any necessary Cost Impact Adjustments.		
78	**Defective Pricing —** Identify and report indicators of defective pricing. Arrange audit of the data. Determine whether the data are defective, the degree relied upon, and the downward adjustment.		
79	**Property Administration—** Establish reporting requirements. Monitor delivery of Government property. Monitor contractor property control systems and use of Government furnished property. Determine liability for damage or misuse and negotiate consideration. Recover or dispose of the property.		
80	**Intellectual Property —** Monitor compliance with the intellectual property sections of FAR 52.212-4 in contracts for commercial items, or the Clauses in UCF §I (or equivalent clauses in other contracts) by both the contractor and Government personnel. Identify, investigate, and resolve patent-related problems. Identify, investigate, and resolve problems with data rights.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
81	**Administering Socio-Economic and Other Misc. Terms —** Enforce compliance with socio-economic contractual requirements by both the contractor and Government personnel.		
82	**Claims —** Research claim and prepare finding of facts. Discuss claim with contractor. Prepare CO's decision. Determine whether ADR applies and participate in ADR. Otherwise, participate in appeals process.		
83	**Termination —** Determine whether to terminate and the method (if any) of termination. Terminate contracts for convenience. Terminate contracts for cause or default.		
84	**Closeout —** Verify that the contract is physically complete and that other terms and conditions have been satisfied (e.g., return or disposition of Government property; disposition of classified materials). Obtain forms, reports, and clearances. Verify that there are no outstanding claims or disputes. Obtain final invoice. Prepare contract completion statement. Retain files.		

PART A. ON-THE-JOB TRAINING

UNIT	DUTY	ON-THE-JOB TRAINING NEEDED?	
		YES	PLAN FOR TRAINING THE DUTY
85	**Fraud & Exclusion.** Refer indications of fraud or other civil or criminal offenses to responsible officials.		

PART B. COURSEWORK

TRAINING		COMPLETED		DATE COMPLETED & SOURCE
Course	Title	No	Yes	(MONTH/YEAR & NAME OF TRAINING FACILITY)

PART B. COURSEWORK

TRAINING		COMPLETED		DATE COMPLETED & SOURCE
Course	Title	No	Yes	(MONTH/YEAR & NAME OF TRAINING FACILITY)

TAB B2

INDIVIDUAL DEVELOPMENT PLAN

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT*?*	*DATE OJT SCHEDULED*	*DATE OJT COMPLETED*
Acquisition Planning I *(CON 101 Fundamentals of Contracting — Part 1)*			0 Contracting Orientation			
			1 Forecasting Requirements			
			3 Purchase Requests			
			4 Funding			
			5 Market Research (Part A)			
			6 Requirements Documents (when acquiring commercial items)			
			8 Services			
			9 Sources			
			10 Competition Requirements			
			11 Set-Asides			
			12 8(a) Procurements			
			13 Lease Vs. Purchase			
			15 Non-Price Factors (when acquiring commercial items)			
			16 Method of Procurement			
			17 Contract Types (when acquiring commercial items)			
			18 Recurring Requirements (for commercial items)			
			23 Procurement Plans			

* OJT: On-The-Job training, whether accomplished through actual assignments in the employee's contracting activity, a rotational assignment, by assigning the employee work of another activity, or through simulated exercises.

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Contract Formation I *(CON 101 Fundamentals of Contracting — Part 2)*			24 Publicizing Proposed Procurements			
			25 Conduct Oral Solicitations			
			26 RFQs/RFPs (for commercial items)			
			27 Preaward Inquiries			
			28 Prequote/Preproposal Conferences			
			29 Amending/Canceling Solicitations			
			35 Processing Quotes & Proposals			
			36 Applying Past Performance, Technical, & Other Non-Price Factors (when acquiring commercial items)			
			42 Award Without Discussions			
			44 Extent of Discussions (Simplified Acquisitions)			
			47 Debriefing			
			48 Responsibility			
			50 Preparing Awards (when acquiring commercial items)			
			51 Issuing Awards & Related Notices			
			53 Protests			

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Contract Administration I *(CON 101 Fundamentals of Contracting — Part 3)*			58 Contract Modifications (under FAR 52.212-4)			
			59 Options			
			61 Monitoring, Inspection, & Acceptance (per FAR 52.212-4)			
			62 Delays (per FAR 52.212-4			
			64 Remedies			
			66 Documenting Past Performance			
			83 Termination for Cause & Convenience (FAR 52.212-4)			
			84 Closeout			
Price Analysis *(CON 104 Fundamentals of Contract Pricing — Part 1)*			14 Price Related Factors			
			37 Price Analysis			
Cost Analysis *(CON 104 of Contract Pricing — Part 2)*			38 Pricing Information From Offerors			
			39 Audits			
			40 Cost Analysis			
Federal Contract Negotiation Techniques *(CON 104 Fundamentals of Contract Pricing —Part 3)*			43 Communications/ Factfinding			
			44 Negotiation Strategy			
			45 Conducting Discussions/ Negotiations			

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Acquisition Planning II *(CON 202 Intermediate Contracting — Part 1)*			2 Acquisition Planning			
			5 Market Research (Part B)			
			6 Requirements Documents (when acquiring noncommercial items)			
			7 Use of Government Property			
			8 Services (Advisory & Assistance)			
			15 Non-Price Factors (when acquiring noncommercial items)			
			17 Contract Types (when acquiring noncommercial items)			
			18 Recurring Requirements (for noncommercial items)			
			19 Unpriced Contracts			
			21 Need For Bonds			
			18 Recurring Requirements (for commercial items)			
			22 Method of Payment			

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Contract Formation II *(CON 202 Intermediate Contracting — Part 2)*			26 RFPs (for noncommercial items)			
			36 Applying Past Performance, Technical, & Other Non-Price Factors (when acquiring non-commercial items)			
			41 Evaluating Other Terms & Conditions			
			44 Competitive Range Determinations			
			50 Preparing Awards (when acquiring noncommercial items)			
			51 Mistakes In Offers			

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Contract Administration II *(CON 202 Intermediate Contracting — Part 3)*			54 Contract Administration Planning			
			55 Post-Award Orientations			
			56 Consent to Subcontracts			
			57 Subcontracting Requirements			
			58 Contract Modifications (contracts for noncommercial items)			
			61 Monitoring, Inspection, & Acceptance (contracts for non-commercial items)			
			62 Delays (contracts for non-commercial items)			
			63 Stop Work			
			65 Remedies (contracts for noncommercial items)			
			67 Invoices			
			68 Assignment of Claims			
			75 Collecting Contractor Debts			
			79 Property Administration			
			80 Intellectual Property			
			81 Administering Soci-Economic & Misc. Terms			
			82 Claims			
			83 Termination for Cause & Convenience (FAR 52.212-4)			
			85 Fraud & Exclusion			

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Intermediate Contract Pricing *(CON 204 Intermediate Contract Pricing)*			40 Cost Analysis (indirect costs, quantitative techniques, & contract types)			
			58 Contract Modifications (equitable adjustments)			
			71 Unallowable Costs			
			72 Indirect Costs			
			73 Limitation of Costs			
			74 Price & Fee Adjustments			
			76 Accounting & Estimating Systems			
			77 Cost Accounting Standards			
			78 Defective Pricing			
Task & Delivery Order Contracting			60 Task & Delivery Order Contracting			
Contract Financing			20.1 Commercial Financing			
			20.2 Noncommercial Contract Financing			
			70 Administering Financing Terms			
Sealed Bidding			26 Preparing IFBs			
			30 Processing Bids			
			31 Bid Acceptance Periods			
			32 Late bids			
			33 Price Analysis (Sealed Bidding)			
			34 Responsiveness			

INDIVIDUAL DEVELOPMENT PLAN FOR:

COURSE	*DATE SCHEDULED*	*DATE COMPLETED*	*UNITS COVERED BY THE COURSE*	*SELECTED FOR OJT?*	*DATE SCHEDULED*	*DATE COMPLETED*
Construction Contracting			Skill at applying policies unique to construction contracting			
A&E Contracting			Skill at applying policies unique to A&E services			

ACQUISITION REFORM TRAINING

Many members of the legacy workforce completed mandatory training long before the era of acquisition reform. Depending on their assignments, these employees may need to be retrained in a number of duties. The following table identifies such assignments and the related training need, Unit by Unit.

Assignment	*Related Units of Instruction*
Establish multiple award task and delivery order contracts; order against such contracts.	Unit 60. Task and delivery order contracting.
Acquire supplies and services through simplified acquisition procedures.	Units 6, 9 - 11, 14 – 19, 22, 24 - 26, 35, 36, 44, 47, 50, 51, 60, 64, 67, and 83. (See Pages 3 - 4 for more details on training these Units in the context of FAR Part 13.)
Acquire "commercial items" as prescribed by FAR Part 12.	Units 1, 2, 5, 6, 15, 26, 36, 58, 61, 62, 64, 67, 68, 77, 80 – 83, and 85 (See pages 5 - 6 for more details on training these Units in the context of FAR Part 12.)
Apply the source selection policies and procedures of FAR Part 15, as revised by FAC 97-02.	Units 5, 15, 16, 36, 42 – 44, 46, and 47. (See page 7 for more details on training these Units in the context of FAR Part 15, as revised.)
Implement the reform of affirmative action in Federal Procurement (FAC 97-06 through 97-08).	Units 14, 15, 33, 36, 37, 49, 51, 53 and 57. (See page 8 for more details on training reforms of affirmative action.)
Give preference to environmentally sound supplies and services.	Units 0, 6, 14, 15, 33, 36, 37, 48, and 81 (See page 9 for more details on training in providing preference to environmentally sound supplies and services.)

TAB B-3 ACQUISITION REFORM TRAINING

Assignment	*Related Units of Instruction*
Document, collect, and apply past performance information.	Units 14, 15, 36, 37, 42, 43, 48, and 66. (See page 10 for more details on training in the documentation, collection, and use of past performance information.)
Perform cost and price analysis using pricing information other than cost or pricing data (whether from the offerors, other sources, or both).	Units 37 – 40.
Determine applicability of, and where applicable, use new methods of commercial and non-commercial financing.	Units 20.1, 20.2, and 70.
Conduct “performance-based” contracting for services.	Units 6, 16, 17, and 54.

TAB B-3 ACQUISITION REFORM TRAINING

Training in Simplified Acquisition Procedures.

If the employee is responsible for awarding contracts through Simplified Acquisition Procedures (SAP), that employee may need retraining in the following duties.

Unit	*Title & Focus*
6	**Requirement Documents**. Determining whether or not to use SAP.
9	**Sources**. Ordering from required sources under SAT; calls against BPAs.
10	**Competition Requirements**. FAR Part 13 restrictions on single source contracting.
11	**Set Asides.** Requirements to set aside contracts under the Simplified Acquisition Threshold (SAT).
14	**Price Related Factors.** Multiple awards in simplified acquisition; prohibition against using prompt payment discounts in evaluating quotes; transportation costs as a factor; other policies on such factors when using SAP.
15	**Non-Price Evaluation Factors.** FAR Part 13 policies on source selection.
16	**Method of Procurement or Purchasing**. Part B. Method of Purchasing.
17	**Type of Contract — Pricing Arrangements.** Preference for firm fixed price contracts; authority to use contract types other than firm-fixed price when using SAP.
18	**Recurring Requirements.** Establishing BPAs; standing price quotations; options under SAT.
19	**Unpriced Contracts.** Part A. Unpriced Purchase Orders.
22	**Method of Payment.**

TAB B-3 ACQUISITION REFORM TRAINING

Training in Simplified Acquisition Procedures (continued).

24 **Publicizing Proposed Procurements.** Synopsis requirements for procurements under SAT; selecting vendors for oral or written non-synopsized, non-FACNET solicitations under SAT; posting requirements for simplified acquisitions.

25 **Oral Solicitation.**

26 **Solicitation Preparation**. Part A. Preparing written Requests for Quotations.

35 **Processing Quotes and Proposals.** Safeguarding, opening, and recording quotations.

36 **Applying Past Performance, Technical, and Other Non-Price Factors.** Part A. Evaluating quotes.

44 **Extent of Discussions.** When using simplified acquisition procedures, selecting vendors for negotiations (if any).

47 **Debriefing.** FAR Part 13 policies on debriefing.

50 **Preparing Awards.** Part B. Preparing Purchase Orders.

51 **Issuing Awards and Related Notices.** FAR Part 13 policies for awarding under SAT.

60 **Task and Delivery Order Contracting.** Part B. Ordering from FAR Part 8 sources. Part C. Ordering from single award task and delivery order contracts. Part D. Ordering against multiple award and delivery order contracts.

64 **Commercial/Simplified Acquisition Remedies.**

67 **Invoices.** Fast Payment Procedures.

83 **Termination.** No cost cancellations of unilateral purchase orders; termination for convenience or cause under FAR 52.213-4.

TAB B-3 ACQUISITION REFORM TRAINING

Training in FAR Part 12 Policies and Procedures .

If the employee is responsible for awarding and administering contracts covered by FAR Part 12, that employee may need retraining in the following duties.

Unit	*Title & Focus*
1 & 2	**Forecasting Requirements** and **Acquisition Planning.** Promoting the use of commercial requirement documents and commercial terms and conditions when assisting requiring activities in long-range planning, programming and budgeting for major requirements.
5	**Market Research.**
6	**Requirement Documents**. Promoting use of commercial requirement documents and terms; determining whether FAR Part 12 applies to the procurement.
15	**Non-Price Evaluation Factors.** Factors in evaluating offers of commercial items; streamlined evaluation of offers; use of past performance as an evaluation factor when acquiring commercial items; use of commercial product information in evaluating offers (rather than requiring submission of technical information); allowing proposals of alternative commercial products.
26	**Solicitation Preparation**. FAR Part 12 solicitation forms, provisions and clauses; combined CBD synopses/solicitations; preparing addenda; Part 12 policies on solicitation response times.
36	**Applying Past Performance, Technical, and Other Non-Price Factors.** Streamlined evaluation of offers.
58	**Contract Modifications**. No unilateral modifications under FAR Clause 52.212-4 (unless an addendum provides the right to make such modifications).
61	**Monitoring, Acceptance and Inspection.** Contract quality assurance and acceptance under FAR Clause 52.212-4; whistleblower protections.
62	**Delays.** Excusable delay as defined by FAR Clause 52.212-4.
64	**Commercial/Simplified Acquisition Remedies.**
67	**Invoices.** FAR Clause 52.212-4 sections on taxes, payment and invoices; prohibition against tailoring the language of those sections.
68	**Assignment.** FAR Clause 52.212-4 section on assignment; prohibition against tailoring the language of that section.

TAB B-3 ACQUISITION REFORM TRAINING

Training in FAR Part 12 Policies and Procedures (continued) .

77 **Cost Accounting Standards.** CAS applicability to fixed-price with economic price adjustment contracts and subcontracts for commercial items when the price adjustment is based on actual costs incurred.

80 **Intellectual Property.** Technical data rights in FAR Part 12 contracts; software licensing; patent indemnity against liability for patent, trademark, or copyright infringements arising out of contract performance.

81 **Administering Socio-Economic And Misc. Terms And Conditions**. Requirement to comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to the performance of contracts for commercial items; express requirement to comply with the Contract Work Hours and Safety Standards Act in the performance of contracts for commercial items.

82 **Claims.** Applicability of Disputes Act to contracts for commercial items.

83 **Termination.** Termination for convenience or cause under FAR Clause 52.212-4.

85 **Fraud and Exclusion**. Compliance with laws relating to limitations on use of appropriated funds to influence certain Federal contracts; officials not to benefit; anti-kickbacks, and procurement integrity.

TAB B-3 ACQUISITION REFORM TRAINING

Training in FAC 97-02 Revisions to FAR Part 15 Source Selection Policies.

If the employee is responsible for awarding and administering contracts covered by FAR Part 15, that employee may need retraining in the following duties.

Unit	*Title & Focus*
5	**Market Research.** Part B. Exchanges Prior to Soliciting (including the multi-step advisory process).
15	**Non-Price Evaluation Factors.**
16	**Method of Procurement or Purchasing**. Part C. Oral presentations (determining whether and how to allow for oral presentations in solicitations).
36	**Applying Past Performance, Technical, and Other Non-Price Factors.** Part B. Evaluating Proposals. Part D. Oral Presentations (conducting).
42	**Award Without Discussions**.
43	**Communications/Factfinding.**
44	**Extent of Discussions (Competitive Range).**
46	**Conducting Discussions/Negotiations**
47	**Debriefing.**

TAB B-3 ACQUISITION REFORM TRAINING

Training in FAC 97-06 reforms in affirmative action in Federal Procurement.

If the employee is responsible for competitive acquisitions that exceed SAT and are neither being made through the 8(a) program or through use of a small business set aside, that employee may need retraining in the following duties.

Unit	*Title & Focus*
14	**Price Related Factors.** Price evaluation adjustments for small disadvantaged business (SDB) concerns.
15	**Non-Price Evaluation Factors.** Extent of participation of SDB concerns in contract performance as a mandatory evaluation factor in unrestricted acquisitions expected to exceed $500,000 ($1,000,000 for construction) — per FAR 15.304(b)(4), 19.201 and 19.1202.[1]
33 & 37	**Price Analysis.** Price evaluation adjustments for SDB concerns.
36	**Applying Past Performance, Technical, and Other Non-Price Factors.** Applying the SDB factor; evaluating past performance of offerors in complying with subcontracting plan goals for SDB concerns, monetary targets for SDB participation, and notifications submitted under 19.1202-4(b).[1]
49	**Subcontracting Requirements**. Negotiating monetary incentives or award fee factors for exceeding monetary targets for SDB participation per FAR 19.1203. [1]
51	**Issuing Awards & Related Notices**. Preaward notice to unsuccessful offerors when the offeror in line for award benefited from its small disadvantaged business (SDB) status; notice to SBA of potential awards to offerors with pending SDB applications.
53	**Protests** Protests of eligibility for SDB preferences.
57	**Subcontracting Requirements.** Requirement that contractors report substitutions of non-SDB concerns for SDB concerns listed in the contract; determining the incentive or award fee payment for exceeding SDB monetary targets. [1]

[1] FAC 97-07.

TAB B-3 ACQUISITION REFORM TRAINING

Training in Accomplishing Environmental Goals.

Train all employees in the following Units, regardless of the types of requirements being acquired and purchasing or procurement methods being employed.

Unit	*Title & Focus*
0	**Orientation.** Environmental goals.
6	**Requirement Documents**. Writing documents that favor the acquisition of environmentally preferable and energy-efficient products and services
14, 33 & 37	**Price Related Factors.** Establishing and applying energy conservation and efficiency factors in evaluating prices.
15 & 36	**Non-Price Evaluation Factors.** Establishing environmental non-price factors for award, in terms of such objectives as promoting waste reduction and energy efficiency (to the extent that these objectives are not better represented as price-related factors).
48	**Responsibility**. Denying award to firms that plan on using facilities in violation of the Clean Air and Water Acts.
81	**Administering Socio-Economic and Other Misc. Terms** Investigating complaints and other reports of noncompliance with clauses on protection of the environment.

TAB B-3 ACQUISITION REFORM TRAINING

Training in Documenting, Collecting, and Using Past Performance Information.

All employees may need retraining in the following duties.

Unit	*Title & Focus*
14 & 37	**Price Related Factors.** Use of past performance information as a price related factor (see the coverage of Quality Related Factors in "Contract Pricing Reference Guide Volume I Price Analysis").
15	**Non-Price Evaluation Factors:** Mandatory use of past performance as a factor; using past performance in FAR Part 12 acquisitions.
36	**Applying Past Performance, Technical, and Other Non-Price Factors.** Part A. Using past performance information when evaluating quotes. Part B. Using past performance information when evaluating proposals. Part C. Surveying Past Performance.
42	**Award Without Discussion.** Providing opportunities for offerors to respond to adverse past performance information prior to the award decision.
43	**Communications/Factfinding.** Addressing adverse past performance information in communications with certain vendors prior to establishing the competitive range.
48	**Responsibility.** Satisfactory performance record as one of the general standards of responsibility.
66	**Documenting Past Performance.**

TAB C

PROCUREMENT PROCESS CHARTS

The following pages present a flowchart of the Federal Procurement Process—detailing the phases, functions, and duties of that process. This chart represents our view on an ordering of duties for instructional purposes. In Tab D, you will find a corresponding Unit of Instruction for every duty in the flowcharts.

However, please note that not every function or duty applies to every acquisition. For example, many contracts are not modified, and few are terminated. Moreover, the sequencing of functions or duties may vary from contract to contract . For example, some solicitations may be amended prior to the opening of proposals, as suggested by the flowchart, but others might not be amended until after the Government has begun to evaluate proposals. Moreover, some duties often are performed repetitively or continuously through several phases of the process. For instance, Federal contracting officers and program managers may begin market research as early as a requirement is forecast and continue their research through award of the contract and even, with respect to some duties as exercising options — after contract award.

Also note that, for instructional purposes, we grouped proposal evaluation and negotiations with the "Solicitation-Award Phase" Phase (see steps 35 through 46). Those steps, for the most part, apply equally to post-award negotiations (e.g., for contract modifications).

TAB C: THE PROCUREMENT PROCESS

PHASE I. ACQUISITION PLANNING

A. Determination of Need	B. Analysis of Requirement	C. Extent of Competition	D. Source Selection Planning	E. Solicitation Terms & Conditions
1. Forecasting Requirements 2. Acquisition Planning 3. Purchase Requests 4. Funding 5. Market Research	6. Requirements Documents 7. Use of Government Property and Supply Sources 8. Services	9. Sources 10. Competition Requirements & Unsolicited Proposals 11. Set-Asides 12. 8(a) Procurements	13. Lease vs. Purchase 14. Price Related Factors 15. Non-Price Factors 16. Method of Procurement or Purchasing	17. Contract Types — Pricing Arrangements 18. Recurring Requirements 19. Unpriced Contracts 20. Contract Financing 21. Need for Bonds 22. Method of Payment 23. Procurement Planning

TAB C: THE PROCUREMENT PROCESS

PHASE II. CONTRACT FORMATION

F. Solicitation of Offers	G. Bid Evaluation	H. Proposal Evaluation	I. Contract Award
24. Publicizing Proposed Contract Actions 25. Oral Solicitation 26. Solicitation Preparation 27. Preward Inquiries 28. Prebid/Prequote/ Preproposal Conferences 29. Amending/ Canceling Solicitations	30. Processing Bids 31. Bid Acceptance Periods 32. Late Offers 33. Price Analysis — Sealed Bidding 34. Responsiveness	35. Processing Proposals 36. Applying Non-Price Factors 37. Price Analysis — Negotiations 38. Pricing Information From Offerors 39. Audits 40. Cost Analysis 41. Evaluating Other Offered Terms and Conditions 42. Award Without Discussions 43. Communications/ Factfinding 44. Extent of Discussions (Competitive Range) 45. Negotiation Strategy 46. Conducting Discussions/Negotiations	47. Debriefing 48. Responsibility 49. Subcontracting Requirements 50. Prepare Awards 51. Issue Awards & Notices 52. Mistakes In Offers 53. Protests

TAB C: THE PROCUREMENT PROCESS

PHASE III. CONTRACT ADMINISTRATION

J. Initiation of Work And Modification	K. Quality Assurance	L. Payment & Accounting	M. Special Terms	N. Contract Closeout Or Termination
54. Contract Administration Planning 55. Post-Award Orientations 56. Consent to Subcontracts 57. Subcontracting Requirements 58. Contract Modifications 59. Options 60. Task & Delivery Order Contracting	61. Monitoring, Inspection, and Acceptance 62. Delays 63. Stop Work 64. Commercial/ Simplified Acquisition Remedies 65. Noncommercial Remedies 66. Documenting Past Performance	67. Invoices 68. Assignment of Claims 69. Administering Securities 70. Administering Financing Terms 71. Unallowable Costs 72. Payment of Indirect Costs 73. Limitation of Costs 74. Price and Fee Adjustments 75. Collecting Contractor Debts 76. Accounting & Estimating Systems 77. Cost Accounting Standards 78. Defective Pricing	79. Property Administration 80. Intellectual Property 81. Administering Socio-Economic & Other Misc. Terms	82. Claims 83. Termination 84. Closeout 85. Fraud & Exclusion

TAB D

CONTRACT MANAGEMENT
UNITS OF INSTRUCTION

FEDERAL ACQUISITION INSTITUTE
OCTOBER 1998

UNITS OF INSTRUCTION BY TITLE AND PART

The following pages list the Contract Management Unit of Instructions in order, from Unit 0 (Orientation) through 85 (Fraud & Exclusion).

Since the last edition was published, we have added six Units, reordered the Units, and renumbered them. For each Unit, the far right column on the following pages provides a cross-reference to the corresponding Unit in the Second Edition of the Workbook.

0	**Orientation**	79
1	**Forecasting Requirements**	1
2	**Acquisition Planning**	2
3	**Purchase Requests**	3
4	**Funding**	4
5	**Market Research** A. Market investigation. B. Exchanges prior to soliciting.	5
6	**Requirement Documents**	6 & 7
7	**Use Of Government Property And Supply Sources** A. Government furnished property. B. Contractor acquired government property C. Government sources of supply.	22
8	**Services** A. Authority to purchase services. B. Service Contract Act wage determinations.	8
9	**Sources** A. Required sources and existing agreements/contracts. B. Interagency acquisitions under the Economy Act. C. Source lists. D. Qualified bidders, manufacturers, and products lists. E. Special standards of responsibility.	9
10	**Competition Requirements**	12
10B	**Unsolicited Proposals**	13
11	**Set Asides**	10
12	**8(a) Procurements**	11
13	**Lease Vs. Purchase** A. Soliciting offers to lease. B. Evaluating offers to lease.	14

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
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15	**Non-Price Evaluation Factors**	16
16	**Method Of Procurement or Purchasing** A. Method of Procurement. B. Method of Purchasing. C. Oral Presentations.	17
17	**Contract Types — Pricing Arrangements**	19.1
	A. Firm Fixed Price and Fixed Price—Level Of Effort Contracts.	19.5
	B. Fixed Price Contracts with Economic Price Adjustment.	19.5
	C. Fixed Price Incentive Contracts.	19.5
	D. Fixed Price Award Fee Contracts.	19.5
	E. Fixed Price with Prospective or Retroactive Redetermination Contracts.	19.5
	F. Cost Plus Fixed Fee Contracts.	19.6
	G. Cost Plus Incentive Fee Contracts.	19.6
	H. Cost Plus Award Fee Contracts.	19.6
	I. Cost—No Fee & Cost Sharing Contracts.	19.6
18	**Recurring Requirements**	4B, 19.3 & 19.4
19	**Unpriced Contracts** A. Unpriced Purchase Orders. B. Letter Contracts.	20
20.1	**Commercial Financing**	New
20.2	**Noncommercial Contract Financing** A. Providing for financing in the solicitation. B. Evaluating offers contingent upon financing.	21
21	**Need For Bonds**	23
22	**Method of Payment**	New
23	**Procurement Planning**	18
24	**Publicizing Proposed Procurements**	25
25	**Oral Solicitation**	New
26	**Solicitation Preparation** A. Preparing written Requests for Quotations. B. Preparing RFPs. C. Preparing IFBs.	24
27	**Preaward Inquiries** A. Inquiries about solicitations. B. FOIA requests.	26
28	**Prequote/ Prebid/Preproposal Conferences**	27

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
29	**Amending/Canceling Solicitations** A. Amending and Canceling Solicitations B. Cancellation of IFB before opening. C. Cancellation of IFB after opening.	28 & 29
30	**Processing Bids**	30
31	**Bid Acceptance Periods**	31
32	**Late Offers**	32
33	**Price Analysis — Sealed Bidding**	33
34	**Responsiveness**	34
35	**Processing Quotes and Proposals**	35
36	**Applying Past Performance, Technical, and Other Non-Price Factors** A. Evaluating Quotes. B. Evaluating Proposals. C. Surveying Past Performance. D. Oral Presentations.	36
37	**Price Analysis — Negotiations**	37
38	**Pricing Information From Offerors** A. Exceptions to Cost or Pricing Data. B. Information other than Cost or Pricing Data. C. Cost or Pricing Data.	38
39	**Audits**	39
40	**Cost Analysis**	40
41	**Evaluating Other Terms And Conditions**	41
42	**Award Without Discussion**	42
43	**Communications/Factfinding**	43
44	**Extent of Discussions (Competitive Range)**	42
45	**Negotiation Strategy** A. Planning Sole Source Negotiations. B. Planning Competitive Discussions.	44
46	**Conducting Discussions/Negotiations**	45
47	**Debriefing**	51
48	**Responsibility**	47
49	**Subcontracting Requirements** A. Establishing subcontracting requirements. B. Evaluating subcontracting plans. C. Make-Or-Buy programs.	48
50	**Preparing Awards** A. Make final award decision in FAR Part 14 and FAR Part 15 Procurements. B. Prepare Purchase Orders.	49

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
51	**Issuing Awards and Related Notices**	50
52	**Mistakes In Offers** A. Pre-award mistakes in bids. B. Pre-award mistakes in proposals. C. Mistakes after award.	46
53	**Protests** A. Agency protests. B. Protests to GAO C. Protests to the courts. D. Protests to SBA of eligibility for a set-aside or small business preference.	52
54	**Contract Administration Planning**	54
55	**Post-Award Orientations**	55
56	**Consent To Subcontracts** A. Consent requirements. B. Consent to subcontracts. C. Purchasing system reviews. D. Make or buy.	57
57	**Subcontracting Requirements**	58C
58	**Contract Modifications** A. Modifications. B. Extraordinary contractual actions.	75
59	**Options**	75B
60	**Task and Delivery Order Contracting** A. Establishing task and delivery order contracts. B. Orders from FAR Part 8 sources. C. Orders from single award task and delivery order contracts. D. Ordering against multiple award task and delivery order contracts. E. Orders under Basic Ordering Agreements.	56
61	**Monitoring, Inspection, And Acceptance** A. Compliance with the Schedule. B. Protecting contractor employee whistleblowers.	58
62	**Delays**	59
63	**Stop Work**	60
64	**Commercial/Simplified Acquisition Remedies** A. Selection of remedies. B. Cure notices. C. Rejection of work under FAR 52.212-4(a) and 52.213-4(e). D. Warranty clause. E. Implied warranties.	New

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
65	**Noncommercial Remedies** A. Selection of remedies. B. Cure and show cause notices. C. Liquidated damages. D. Rejecting nonconforming deliverables. E. Written warranty. F. Fraud, gross mistake, or latent defect.	61
66	**Documenting Past Performance**	63
67	**Invoices**	65
68	**Assignment Of Claims**	67
69	**Administering Securities**	77
70	**Administering Financing Terms** A. Commercial financing. B. Progress payments. C. Advance payments. D. Performance-based payments.	69
71	**Unallowable Costs**	66
72	**Payment of Indirect Costs**	65B
73	**Limitation Of Costs**	64
74	**Price And Fee Adjustments** A. Economic price adjustments. B. Incentive price adjustments. C. Award fee adjustments. D. Incentive fee adjustments. E. Price redeterminations.	70
75	**Collecting Contractor Debts**	68
76	**Accounting And Estimating Systems** A. Accounting systems. B. Cost estimating systems. C. Financial condition.	71
77	**Cost Accounting Standards** A. Determining applicability. B. Reviewing disclosure statements.	72
78	**Defective Pricing**	73
79	**Property Administration**	62
80	**Intellectual Property**	New
81	**Administering Socio-Economic and Other Misc. Terms**	58B
82	**Claims**	78

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
83	**Termination** A. Determine whether to terminate and method (if any) of termination. B. Terminating for convenience. C. Terminating for cause or default.	76
84	**Closeout**	74
85	**Fraud And Exclusion**	53

ORGANIZATION AND FORMAT

The following is a section by section description of a typical Unit of Instruction. The # sign refers to the number of the Unit (e.g., 73, which is the # for the Unit on **Limitation Of Costs**). The cited page numbers may vary from Unit to Unit.

Section	*Page*	*Purpose*
Title	#-1	Identifies the Unit by the title and #. The date indicates when the Unit as a whole was last revised.
Duty, Conditions, and Standard(s).	#-1	Prescribes the **Action** that students should be able to perform at the end of training, the **Conditions** under which the student can be expected to perform, and a **Standard** for assessing performance. Together, these three elements constitute the Terminal Learning Objective for the Duty (or Part). Whether in the classroom or on-the-job, the trainer's or educator's goal should be to accomplish this Terminal Learning Objective. And trainers or educators should be judged primarily by their effectiveness in realizing this goal.
FAR Citations	#-2	Lists references to related sections in the Federal Acquisition Regulation (FAR). Space is provided to enter citations from the applicable FAR Supplement and other policy guidelines.
Other KSA's	#-2	Identifies related knowledge, skills, and abilities.

TAB D-2 ORGANIZATION AND FORMAT

Section	*Page*	*Purpose*
Flowchart	#-3	Visually depicts steps and decision points in performing the duty. The number or numbers in each box correspond to the Tasks described on pages #-4 and following. A block in the flowchart may combine a number of Tasks (e.g., Tasks 2-4). When a Unit has been divided into a number of parts (e.g., Part A, Part B, and Part C), the Unit generally includes a separate flowchart for each Part positioned on the page immediately preceding the Part.
Tasks	#-4	Presents steps in performing the duty, in order of instruction. Trainees should learn each step in turn and also be provided with in-class and on-the-job practice in performing the more critical steps. The steps have been sequenced for the purpose of accomplishing the Terminal Learning Objective of the Unit or Part. These are not necessarily all the steps or the best sequence of steps for any given on-the-job assignment.
Related Standards	#-4	Provides standards for learning each step and/or additional instructions. Each task and its related standard together comprise an "Enabling Objective."
Appendices	NA	Some Units have been appended with additional checklists or guidelines.

TAB D3

ACQUISITION PLANNING

TAB D-3 ORIENTATION

UNIT 0 - ORIENTATION

September 1998

Duties	1. Identify and define the goals, system standards, and mission of the procurement system (see Appendix I) 2. Identify the basic statutes and regulations that define the procurement system. 3. Identify the basic steps in the procurement process and the critical issues and business decisions that are made in the course of that process. 4. Identify the major Federal organizations (Congress, OMB, the President, the agency head, etc.) with procurement responsibilities and identify their roles in the procurement process. 5. Research the Federal Acquisition Regulation, agency supplemental regulations, Comptroller General decisions, the United States Code, and other source documents to correctly cite and summarize all provisions that apply to each of a sample of steps and decisions in the procurement process. 6. Identify and define the roles and responsibilities of contracting officers, requiring activities, contracting officer's representatives, quality assurance personnel, auditors, accountants, logistics managers, and other participants in the procurement process. 7. Identify standards of ethics that apply to procurement decisions and provide accurate examples of activities that are prohibited under each standard.
Conditions	Given the Federal Acquisition Regulation, agency supplements to the FAR, the United States Code, Comptroller General decisions, and other such documents.
Overall Standard(s)	Complete and accurate knowledge of the procurement mission, system, process, organization, management, statutory and regulatory foundation, roles and responsibilities, and standards of conduct.

UNIT 0 ORIENTATION

Policies

FAR	*Agency Suppl.*	*Subject*
1		Federal acquisition regulations system.
2.101		Definitions of “acquisition”, “contract”, “contract administration office”, “contracting”, “simplified acquisition procedures”, “micro-purchase”, “contracting activity”, “contracting office”, “contracting officer”, “executive agency”, “Federal agency”, “agency head”, “head of the contracting activity”, “in writing”, “written”, “major system”, “offer”, “senior procurement executive”, “signature”, and “supplies”.
3		Improper business practices and personal conflicts of interest (including standards of conduct and procurement integrity).
13.002		Purpose of simplified acquisition.
14.101 thru 14.10		Elements of sealed bidding.
15.101 thru 15.102		Definition of negotiation.
19.4		Small business administration.
23.704		Environmental goals.[1]
42.302		Contract administration functions.

Other KSA's

Best Value as the overall System goal

The rewrite redefines “best value” as applying to ALL FAR Part 15 awards and indeed establishes “Best Value” as the overall goal of the entire acquisition system regardless of whether awarding through FAR Part 13, 14 or 15 procedures, or, for that matter, through FAR Part 16 ordering procedures. Thus, there is no longer a separate “best value” process. Instead, the FAR Part 15 RECOGNIZES A [BEST VALUE CONTINUUM WITH END POINTS BEING two separate source selection processes for determining best value: “tradeoff” and “Lowest price technically acceptable”. Conceptually, tradeoff equates to the “Process Formerly Known as Best Value”.

NEW DEFINITION OF BEST VALUE: 2.101 Best value means the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement. PLUS INTRODUCE HERE THE 15 LANGUAGE ON CONTINUUM.

TEAM WORK FROM PART 1 & RELATED MESSAGES 2ND AND 3RD BULLET TEARING DOWN THE BOUNDRIES NAVY ALPHA CONTRACTING NAVAIR AF F-22 IPTS WITH CONTRACTORS IPTS COMPETED VS EACH OTHER FROM WRIGHT PATTERSON WEB PAGE

1. Knowledge of statutory goals for the procurement system (e.g., §2301 of title 10 and §401 of title 41, United States Code).

2. Knowledge of the vision, system standards, and strategies in FAR Part 1 (see Appendix 1).

[1] FAC 97-01.

3. Knowledge of FAR sections that define critical terms, such as 1.701, 2.000, 2.101, 4.401, 6.003, 7.101, 9.101, 10.001, 11.001, 13.101, 14.101, 14.501, 15.101, 15.601, 15.801, 16.101, 16.201, 16.301-1, 16.501, 16.601, 16.702, 16.703, 17.201, 19.001, 20.101, 28.001, 31.001, 32.102, 33.101, 33.201, 34.001, 35.001, 36.102, 37.101, 37.201, 38.101, 43.101, 44.101, 45.101, 46.101, 47.001, 49.001, and 49.401(a).

4. Knowledge of electronic contracting policies and practices.
To support paperless transactions, the FAR allows the use of electronic signatures. Moreover, the words "in writing" or "written", as used in the FAR, do not necessarily refer to paper documents — the words apply equally to electronic files transmitted and stored on magnetic or optical media. (§2.101)

The FAR no longer requires contracting officers to make paper copies and stamp those copies with the words "DUPLICATE ORIGINAL" — as being the only copies of executed documents that have the same force and effect as signed originals. (§4.101 and 4.201)

Agencies and the public may computer generate both standard and optional forms prescribed by the FAR if:

- The form is in an electronic format that complies with Federal Information Processing Standard Number 161, or
- There is no change to the name, content, or sequence of the data elements, and the form carries the Standard or Optional Form number and edition date. (§52.105).

Other Policies and References (Annotate As Necessary):

UNIT 0 ORIENTATION (Appendix I)

FEDERAL ACQUISITION SYSTEM VISION, STANDARDS, AND STRATEGIES

The Vision

Deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. View best value from a broad perspective, balancing the many competing interests in the System. [FAR 1.102 through 1.102-4]

Standards for Performance

The following standards apply to all acquisition officials — contracting officers and specialists, purchasing agents, contracting officer representatives, program managers, technical evaluators, quality assurance specialists, logisticians, and the like. Always have these standards in mind when performing any specific acquisition-related function, duty, or task. [FAR 1.102 through 1.102-4]

1. Satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service.

Principal customers are the line managers and other users of acquired supplies and services (acting on behalf of the nation's taxpayers). Be responsive to customer needs, concerns, and feedback.

2. Minimize administrative operating costs.

To the extent that you are responsible for rules, policies, and procedures — question whether their benefits clearly outweigh the costs of their development, implementation, administration, and enforcement. If not, alter or abolish them.

3. Conduct business with integrity, fairness, and openness.

Every acquisition official is responsible and accountable for the wise use of public resources as well as for acting in a manner which maintains the public's trust. The actions of every acquisition official must reflect integrity, fairness, and openness.

4. Fulfill public policy objectives.

Strive to attain the public policy goals established by Congress and the President. For example, cost-effective programs favoring the acquisition of environmentally preferable and energy efficient products and services/ FAR 23.704 establishes six specific environmental objectives to be accomplished through the acquisition process.

UNIT 0 ORIENTATION (Appendix I)

Strategies for Meeting System Standards

- *Shift the focus from "risk avoidance" to "risk management"*. The costs of eliminating all risk would greatly outweigh any benefits.
- *Forecast requirements and develop long-range plans for accomplishing them.* The extent of planning should be commensurate with the size and nature of the acquisition. In carrying out such plans, be flexible in accommodating changing or unforeseen mission needs.
- *Team with other participants in the acquisition process*. Participants include not only representatives of the technical, supply, and procurement communities but also their customers and their suppliers.
- *Empower participants to make decisions within their area of responsibility*. Delegate authority to make decisions (and accountability for the decisions) to the lowest level within the acquisition system, consistent with law. In particular, the contracting officer must have the authority, to the maximum extent practicable and consistent with law, to determine the application of rules, regulations, and policies.
- *Encourage innovation and local adaptation*. Assume that any strategy, practice, policy or procedure is a permissible exercise of authority if (a) in the best interests of the Government and (b) NOT prohibited by the FAR, law (statutory or case law), Executive order or other regulation
- *Communicate with the commercial sector as early as possible in the acquisition cycle.* Among other purposes, this can help acquisition officials become aware and take advantage of capabilities available in the commercial marketplace.
- *Foster cooperative relationships between the Government and its contractors.* Do this consistent with the Government's overriding responsibility to the taxpayers.
- *Maximize the use of commercial products and services in meeting Government requirements*.
- *Select contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform.*
- *Promote competition.*
- *Train and educate.* Provide training, professional development, and other resources to maintain and improve the knowledge, skills, and abilities of acquisition officials, both with regard to their particular acquisition-related duties and their respective roles as members of acquisition teams. The contractor community is encouraged to do likewise. [FAR 1.102 through 1.102-4]

UNIT 0 ORIENTATION (Appendix I)

UNIT 1 FORECASTING REQUIREMENTS

September 1998

Duty	Forecast and plan to meet probable acquisition requirements.
Conditions	Given staff meeting minutes, acquisition histories, market research findings, proposed budgets, and related planning documents.
Overall Standard(s)	Accurately predict probable requirements for supplies and services that are likely to be incorporated in purchase requests from requiring activities supported by the contracting office. Ensure that program plans, cost estimates, and schedules (as written by the requiring activity in partnership with Contract Specialists and, as appropriate, other members of the acquisition team) are: • Sufficient to prepare acquisition plans. • Geared to the Government's functional needs. • Written in terms that accurately reflect the market's capabilities (lead-times, production, delivery, and cost) and procurement lead-times). • Designed to obtain maximum competition • Tailored to reflect the instant requirement and promote efficient competition. • Aligned with the policy (OMB Circular A-76) of reliance on the private sector for commercial services. • Sufficient to forecast funding needs (amount and timing).

UNIT 1. FORECASTING REQUIREMENTS

Policies

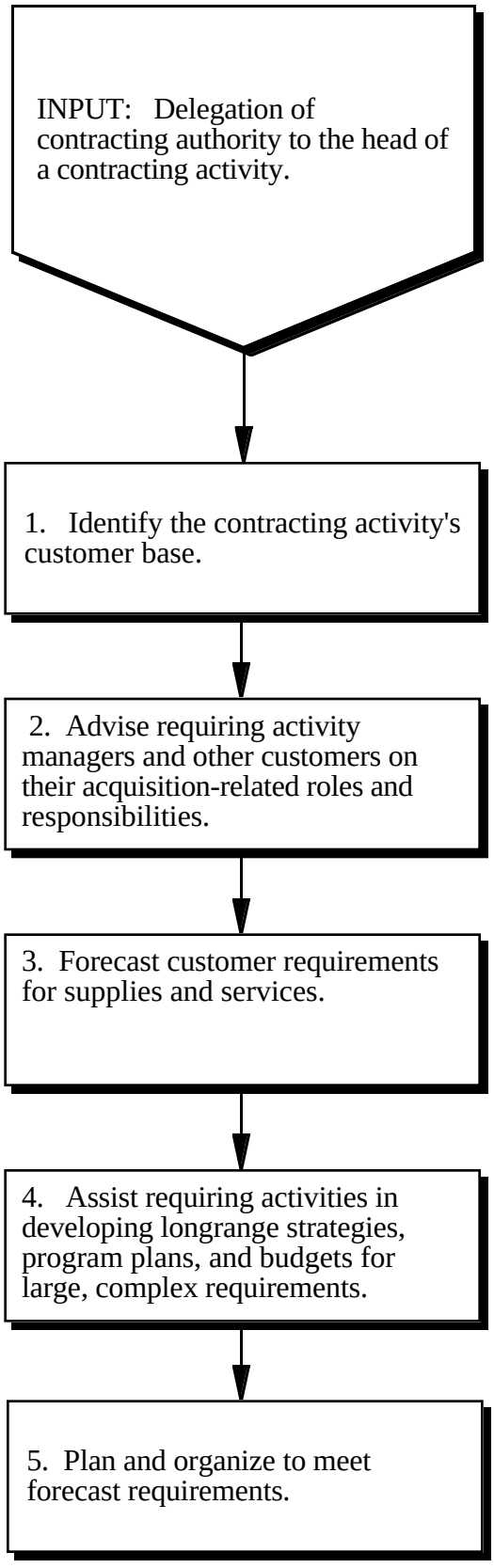
FAR	*Agency Suppl.*	*Subject*
1.102		Acquisition system standards, goals, and strategies.
3.104		Safeguarding of source selection and proprietary information.
5.204 5.205		Synopsis requirements for presolicitation notices.
5.404		Long-range acquisition estimates.
6.101(b)		Efficient competition.
7.2		Economic purchase quantities.
7.3		Contractor vs. Government performance.
13.101(a)		Economic purchase quantities when planning simplified acquisitions.
14.212		Economic purchase quantities pursuant to feedback from sealed bidding.
35.016		Broad agency announcements.
37.102		Policy of reliance on the private sector for commercial services.
52.207-4		Economic Purchase Quantity — Supplies

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

FORECASTING REQUIREMENTS



UNIT 1 FORECASTING REQUIREMENTS

Tasks	Related Standards
1. Identify the contracting activity's customer base.	1. Correctly identify requiring activities and other customers of the contracting activity (present and prospective).
2. Advise requiring activity managers and other customers on their acquisition-related roles and responsibilities.	2. Correctly explain a requiring manager's roles and responsibilities for: • Acquisition planning. • Designating requiring activity resources to carry out the acquisition plan (requirements researchers, technical evaluation teams, technical representatives, etc.) • Preparing justifications. • Preparing purchase request(s) and related justifications and documents (e.g., when recommended by the requiring activity manager, the obligation of that manager to write a justification for soliciting from only one source). • Incorporating procurement lead times in program plans and schedules. • Safeguarding source selection and proprietary information.
3. Forecast customer requirements for supplies and services. Potential sources of information: • Acquisition histories. • Planning, programming, and budgeting documents. • Surveys of requiring activities and other program planners. • Participation in meetings to plan, program, and budget for agency missions. • Other documents (e.g., by adding one's name to the reading lists for reports, staff meeting minutes, and other documents from requiring activities).	3. Correctly identify and apply forecasting methods.
4. Partner with customers in developing long-range strategies, program plans, and budgets for large, complex requirements.	

UNIT 1 FORECASTING REQUIREMENTS

Tasks	Related Standards
4a. Identify relevant data from acquisition histories and market research (applying techniques from Unit 5).	4a. Identify all information of relevance to program goals and objectives identified by the requiring activity.
4b. Estimate the market's capability for accomplishing program objectives.	4b. Develop sound positions on: • Probable contract prices and other acquisition-related costs. • Procurement, delivery, and production lead-times. • Risks of not meeting targets (performance, cost, or schedule). • Tradeoffs between design options and procurement costs, lead-times, and risks.
4c. Recommend technique(s) for obtaining market feedback and otherwise improving the Government's description of required supplies and services. Potential techniques: • Use of commercial requirements documents. • Early exchanges with prospective offerors (per Unit 5)	4c. Recommend techniques(s) (if any) that best fit the acquisition. Accurately describe the pros and cons of available methods, in terms of determining and improving the market's capability to meet the need.
4d. Recommend acquisition strategies for large, complex requirements. Among the potential strategies: • Publication of long-range acquisition estimates and broad agency announcements. • Design competitions. • "Breaking out" components that can be competed (e.g., spare parts). • Requesting relief from restrictive policies. • A-76 competition (consider in-house performance as an alternative to contracting and vice versa). • Source development (e.g., licensing. mentor/protégé) when currently locked into a single (in-house or contractor) source. • Purchasing data rights.	4d. Recommend strategies to optimize accomplishment of acquisition system goals and standards (see Unit 0), including principles, goals, standards, and strategies in FAR 1.102. Do not rule out the availability of commercial sources for A-76 competitions without the required CBD notices.

UNIT 1 FORECASTING REQUIREMENTS

Tasks	Related Standards
5. Plan and organize to meet the expected, aggregate requirements of all customers of the contracting activity. • Consolidate requirements. • Identify economic ordering quantities. • Establish a tentative schedule of purchases. • Obtain bulk funding authority. • Staff and train to meet expected workload. • Obtain other necessary resources.	5. Accurately forecast total demand from all customers for significant requirements. Consolidate requirements to attain economic ordering quantities. Accurately calculate economic ordering quantities (EOQs) and consolidate requirements to match EOQs. Establish purchasing schedules that are optimal in terms of inventory costs, purchasing costs, and mission needs. Obtain bulk funding authority for simplified acquisitions, where appropriate.

UNIT 2 ACQUISITION PLANNING

September 1998

Duty	Participate in updating or preparing an acquisition plan.
Conditions	Given program plans (including schedules and milestones), acquisition histories, budget data, results of initial market research, plans from prior acquisitions, and agency policies and procedures.
Overall Standard(s)	Develop and record key acquisition strategies, program and procurement milestones, and program baselines (cost/performance/time). Correctly assign responsibilities and identify approving officials. The acquisition plan is the product of effective teamwork on the part of the WHOLE team — the program manager, the contracting officer, and other appropriate functional experts. (FAR 1.102-3 and -4). As prepared by program managers in partnership with Contract Specialists and other members of the acquisition team, acquisition plans are designed to: · Satisfy the Government's needs in the most effective, economical, and timely manner. · Encourage or require offerors to supply and use commercial or (to the extent commercial items are not suitable) other nondevelopmental items to the maximum extent practicable. · Employ strategies for acquiring services that implement performance-based contracting methods (or provide rationale for not using those methods).[1] · Provide for full and open competition through use of competitive procedure(s) that are tailored to reflect the circumstances of the instant contract action and are consistent with the need to fulfill the Government's requirements efficiently.

[1] FAC 97-01. In particular, the plan should describe the performance standards of the services being acquired and how they relate to the need; the choice of service description types (including performance-based contracting descriptions) to be used; and a description of how the Government will enforce inspection and acceptance corresponding to the work statement's performance criteria)

UNIT 2 ACQUISITION PLANNING

Policies

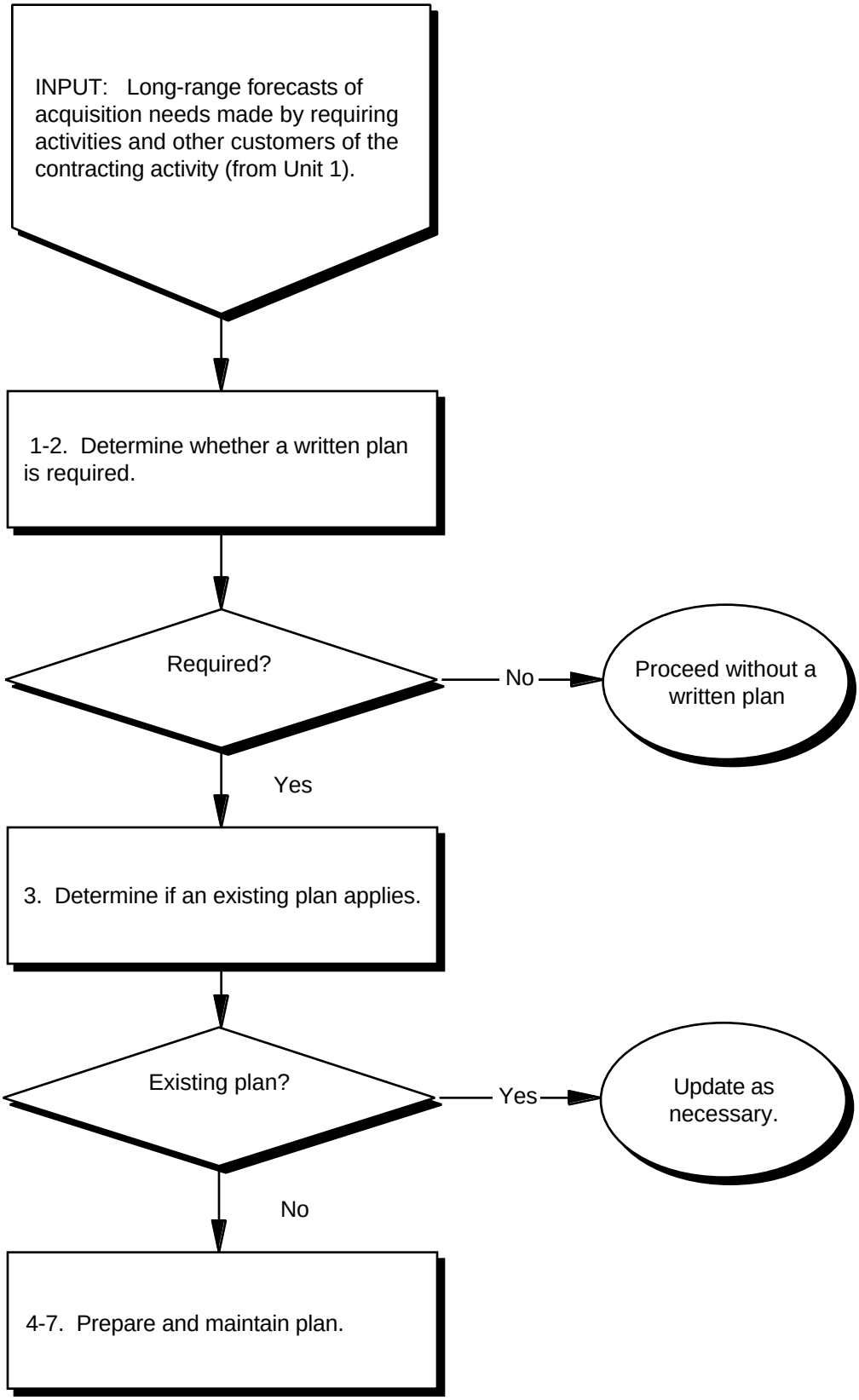
FAR	*Agency Suppl.*	*Subject*
7.1		Acquisition plans.
34		Major Systems.

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

ACQUISITION PLANNING



UNIT 2 ACQUISITION PLANNING

Tasks	Related Standards
1. Identify acquisition-related information from program and project plans. · Identity of supplies and services to be procured. · Acquisition strategies. · Findings of market research. · Decisions on whether to use presolicitation notices, conferences, et al. · Alternative techniques to enhance competition and break-even points. · Program baselines (milestones, cost, and performance). *(See Unit 1)*	
2. Determine if a written Acquisition Plan is required and identify mandatory elements of the plan.	2. Correctly apply agency criteria and thresholds.
3. Determine if an existing acquisition plan applies.	3. Check any existing plan to determine whether it is current and applicable. Update the plan as necessary to reflect changes in market conditions, milestones, funding, etc.
4.Prepare Plan. A. Acquisition Background and Objectives (from Unit 1 or Purchase Request). • Statement of need. • Applicable conditions • Cost. • Capability or performance requirements. • Delivery or performance period requirements. • Tradeoffs (between cost/schedule/performance requirements). • Risks. • Acquisition streamlining.	4. In preparing the plan, comply with the applicable standard format (if any) and FAR 7.105. 4A. Express the statement of need in functional terms. When estimating the acquisition cost, consider: · Total life cycle cost, not just expected contract prices. · "Should cost" analysis, where available. · "Design-to-cost" where appropriate.

UNIT 2 ACQUISITION PLANNING

Tasks	Related Standards
B. Plan of Action: Record key acquisition decisions as they are made (from Units 1-50). • Sources (from Units 5 & 9-12) • Competition (from 10) • Source selection procedures (from 14-16) • Contracting considerations (from 5-26) • Budgeting and funding (4) • Product or service descriptions (6) • Priorities, allocations, and allotments • Contractor vs. Government performance (1) • Management information requirements (6) • Make or buy (56) • Test and evaluation (61) • Logistics considerations (from 6) • Government-furnished property (7) • Government-furnished information (7) • Environmental & energy conservation considerations (6) • Security considerations (26) • Other considerations (26) • Milestones for the acquisition cycle (23) • Identification of participants in the acquisition plan preparation	4B. Incorporate and organize all elements required for such plans.
5. Assign responsibilities. • To requiring activity personnel. • To procurement officials.	5. Correctly identify roles and responsibilities of participants in the acquisition.
6. Obtain concurrences and approvals. • Contracting Officer. • Requiring activity. • Competition Advocate. • Legal, technical, finance, transportation, packaging, and other supporting offices. • Authorized level for final approval.	6. Correctly identify all approving officials under agency policy.
7. Monitor and maintain the plan.	7. Update the plan on the dates specified in the plan or whenever significant changes occur, but no less often than annually.

UNIT 2 ACQUISITION PLANNING

Tasks	Related Standards

UNIT 3 PURCHASE REQUESTS

September 1998

Duty	Accept the Purchase Request or request additional signatures and/or information from the requiring activity to complete the Purchase Request.
Conditions	Given Purchase Request packages and the Guidelines For Reviewing Purchase Requests (Appendix 1)
Overall Standard(s)	Accept only those purchase requests that contain all elements necessary to proceed with the procurement. Establish complete and proper contract files on accepted purchase requests. Safeguard proprietary and source selection information on accepted purchase requests from improper disclosure.

UNIT 3 PURCHASE REQUESTS

Policies

FAR	*Agency Suppl.*	*Subject*
1.603-3(b)		Delegating micropurchase authority to end users.
2.101		Definitions of "micropurchase" and "simplified acquisition threshold".
3.104		Identification and safeguarding of source selection information.
4.403(a)		Review for classified materials.
4.802 4.803(a)		Contracting office contract files.
13.103(d)		No splitting requirements.
13.003		Relationship between SAT and use of FAR Part 13 procedures.
14.211		Presolicitation disclosure of data on purchase requests.
15.201		Exchange with industry before receipt of proposals.
19.402		Release of information to SBA procurement center representatives.

Other KSA's

1. Knowledge of the elements of a purchase request and the purposes for each such element.

2. Knowledge of what elements, at minimum, must be represented in the purchase request to be sufficient for acceptance.

3. Knowledge of typical omissions and deficiencies in purchase requests.

4. Knowledge of the fact that acceptance of a proposed purchase request starts the procurement cycle, including milestones that must be met by the procurement office.

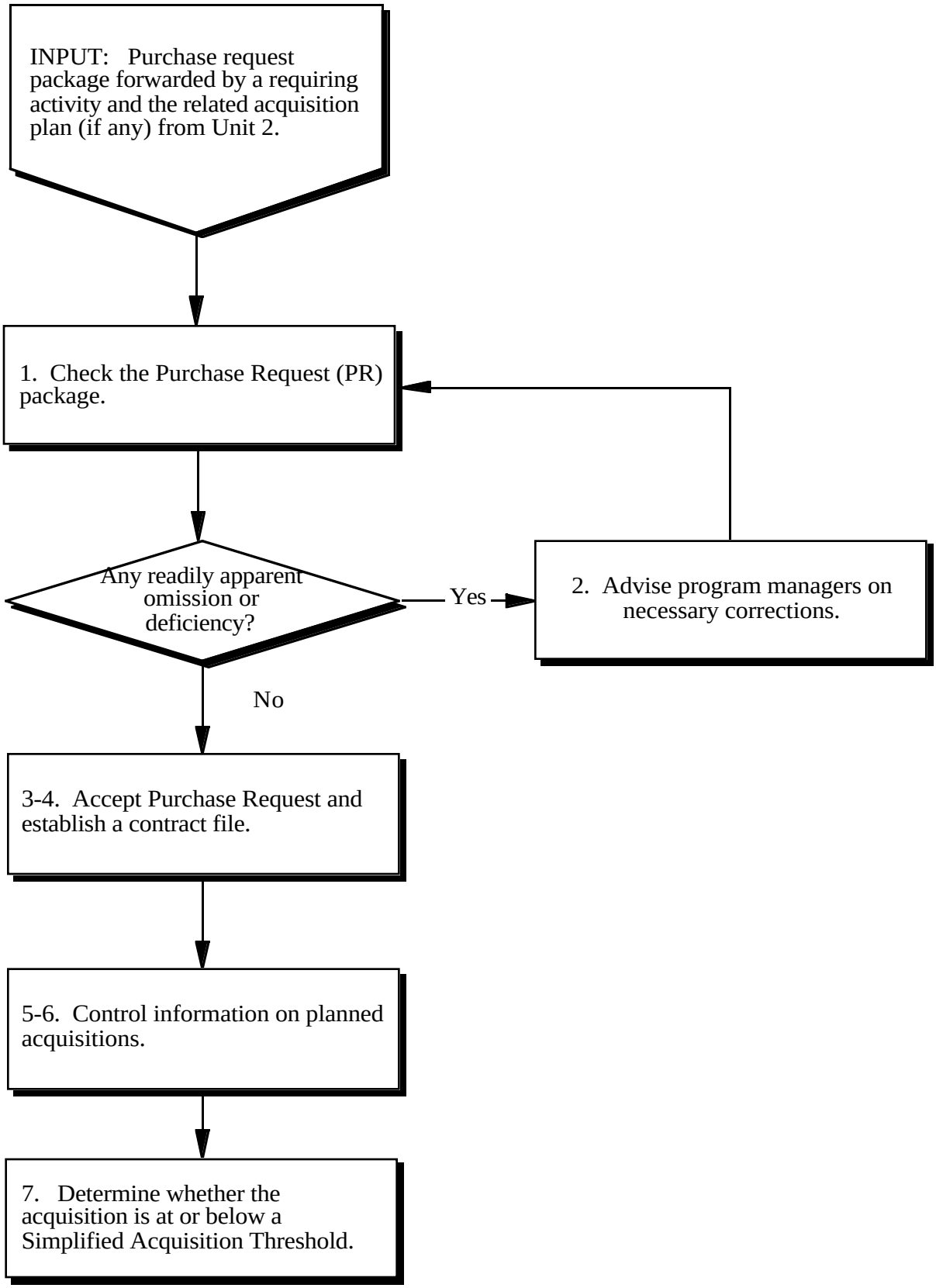
5. Knowledge of the relationship between line and staff authority; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers (from Organization and Management).

6. Knowledge of the nature and classes of contracts (e.g., elements, competent parties, formation, and intent to make a binding agreement) and requirements for consideration and legality with respect to the making of contracts (from Business Law).

7. Knowledge of the impact of micro-purchasing policies on submission of purchase requests.

Other Policies and References (Annotate As Necessary):

PURCHASE REQUESTS



UNIT 3 PURCHASE REQUESTS

Tasks	Related Standards
1. Check the Purchase Request (PR) package. (See Appendix I for checklist)	1. Identify omitted elements. Identify readily apparent deficiencies (if any) on the face of the purchase request.
2. Advise requiring activity managers on omissions and readily apparent deficiencies; obtain a corrected PR package.	2. Accurately explain the impact on the acquisition of each omission and deficiency. Obtain corrections and/or supplementary information necessary for acceptance. If below the Micropurchase Threshold, advise the requiring activity on alternatives (e.g., the IMPAC card) for acquiring the item.
3. Accept Purchase Request and begin clocking the Procurement Administrative Lead Time (PALT).	3. Only accept Purchase Requests upon receipt of all necessary information from the requiring activity.
4. Establish a contract file on the accepted purchase request.	4. Establish and maintain the contracting office file contract file (as opposed to the contract administration office contract file prescribed at FAR 4.803(b)) as prescribed in FAR 4.803(a).
5. Identify interested parties (e.g., Small Business Specialists) to whom information about pending requirements may be disclosed prior to issuance of the solicitation.	5. Do not disclose information on proposed acquisitions outside the Government except as provided in Unit 5. Restrict disclosure within the Government to persons with a legitimate interest in the acquisition.
6. Protect source selection and proprietary information throughout the presolicitation, solicitation, and award process. Subtasks: • Advise Federal employees on the protection of source selection and proprietary information. • Identify and mark source selection information. • Review contractor requests to mark information as proprietary. • Secure source selection and proprietary information within the office. • Authorize access to source selection and proprietary information. • Report evidence of unauthorized disclosures.	6. Provide contractors with an opportunity to defend their proposed proprietary markings as prescribed in FAR 3.104-5(d).

Tasks	Related Standards
7. Determine whether the acquisition is at or below the following thresholds: • Micropurchase threshold ($2,500). • Simplified Acquisition Threshold ($100,000). • Simplified Acquisition Threshold ($200,000) (Contingency Operations). • Threshold for use of Simplified Acquisition Procedures when acquiring commercial items ($5,000,000).	7. Do not permit requiring activities to split requirements to stay under a threshold. Revisit this initial determination as necessary: • If market research suggests that the actual price is likely to exceed the initially determined threshold. • If, during review of the requirements documents, the requiring activity agrees on changes in the documents which change the classification of a requirement between SAT and $5 million from "noncommercial" to "commercial".

UNIT 3 PURCHASE REQUESTS

Tasks	Related Standards

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

The table on the following pages identifies elements of the typical Purchase Request (PR), related sections of the Uniform Contract Format (UCF), typical omissions, the appropriate action for each such omission, typical deficiencies, the appropriate action for each such deficiency, and Units from this manual which discuss the deficiency in greater detail.

Note that many deficiencies will not be detected prior to acceptance of the PR and can only be discovered after researching market data and acquisition histories per Unit 5.

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

Element	*UCF*	*Typical Omissions*	*Action*
Approvals & Reviews	N/A	Missing one or more approvals or reviews required by agency policy.	Return PR to requiring activity.
Funding	N/A	Did not cite both (a) Source of Funds and (b) amount of funds OR No supporting documentation for absence of a fund citation.	Return PR to requiring activity.
Quantity	§B	No quantity specified OR No unit of issue specified	Obtain from requiring activity prior to accepting the PR.
Independent Government Cost Estimate	NA	No Independent Government Cost Estimate.	Obtain from requiring activity prior to accepting the PR.
Description of Requirement	§C	Missing	Return PR to requiring activity.
Packaging & Marking	§D	Missing	Identify the applicable clause(s) and instructions (e.g., FAR 247-29 through 44). Ask requiring activity if there are any special instructions.

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

Element	*Typical Deficiencies*	*Action*	*Unit*
Approvals & Reviews	Need for additional justifications and/or waivers (based on analysis of other omissions and deficiencies).	Obtain prior to issuing the solicitation.	N/A
Funding	Wrong fund citation. Funds are not realistic.	Obtain a corrected PR.	Funding (4)
Quantity	Quantities or units are not consistent with the requirement, as finally definitized	Consult the requiring activity. Document discussions and enter the correct quantity and units in the solicitation.	Requirements (6)
Independent Government Cost Estimate	The reasonableness of the estimate is not apparent, given the requiring activity's supporting data.	Consult the requiring activity. Document discussions and obtain any necessary additional data.	Price Analysis (37)
Description of Requirement	Description is vague, ambiguous, overly restrictive, and/or insufficiently restrictive.	Consult the requiring activity. Document discussions and enter the description, as revised, in the solicitation.	Requirements (6)
Packaging & Marking	Proposed packing and marking instructions are vague, ambiguous, overly restrictive, or inconsistent with the requirement. OR Special instructions are necessary, given the requirement (e.g., long storage time or overseas shipments).	Consult the requiring activity. Document discussions and enter special packing and marking instructions, if any, in the solicitation.	Requirements (6)

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

Element	*UCF*	*Typical Omissions*	*Action*
Inspection & Acceptance	§E	Missing name of person responsible for inspection and acceptance OR Did not specify place (origin or destination) of inspection/acceptance OR Did not specify timing of inspection/acceptance.	Where necessary, obtain name(s), place(s), and/or time(s) from requiring activity.
		No special acceptance criteria or testing procedures.	Identify the applicable clause(s), if any (e.g., FAR 52.246-2 or 246-4). Ask requiring activity if there are any special criteria or testing procedures.
Delivery & Shipment	§F	No delivery date OR Delivery not shown as a calendar date (ASAP, Immediately, etc.) OR Shipping address or place of performance is missing, incomplete, vague, or ambiguous.	Identify the applicable standard clause(s), if any. Obtain missing data from requiring activity.
Contract Administration	§G	No COR/COTR identified.	Obtain name(s) from requiring activity.
		No special requirements.	Identify the applicable clause(s), if any (e.g., FAR 52.242-2). Ask requiring activity if there are any special contract administration requirements.

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

Element	*Typical Deficiencies*	*Action*	*Unit*
Inspection & Acceptance	Proposed inspection and acceptance criteria or testing procedures are vague, ambiguous, overly restrictive, or inconsistent with the requirement. OR Special criteria or instructions are necessary, given the requirement.	Consult the requiring activity. Document discussions and enter special inspection and acceptance criteria or testing procedures, if any, in the solicitation.	Requirements (6)
Delivery & Shipment	Delivery date is not reasonable.	Consult the requiring activity. Document discussions and enter the delivery date, as revised, in the solicitation.	Requirements (6)
Contract Administration	Proposed special contract administration requirements are vague, ambiguous, overly restrictive, or are not consistent with the specification or statement of work OR Special contract administration procedures are necessary, given the requirement.	Consult the requiring activity. Document discussions and enter the special contract administration requirements, as revised, in the solicitation.	Requirements (6)

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

Element	*UCF*	*Typical Omissions*	*Action*
Special Provisions & Clauses	§H-L	None identified.	Ask requiring activity if any are needed.
Evaluation Factors	§M	None provided.	Ask requiring activity whether or not award will be made through a "tradeoff analysis".
Sources	N/A	Only one source recommended OR Requests restricting competition to specified sources.	Question whether the requiring activity is requesting "other than full and open competition" or "full and open competition after the exclusion of sources". If so, obtain the necessary justification.
		No sources recommended.	Ask requiring activity if it knows of any sources.
Acquisition Plan	N/A	Plan not provided.	If a formal acquisition plan is required pursuant to FAR Part 7 and agency supplemental regulations thereunder, obtain plan from the requiring activity.

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

Element	*Typical Deficiencies*	*Action*	*Unit*
Special Provisions & Clauses	Proposed provisions or clauses are inconsistent with requirement, vague, ambiguous, overly restrictive, or otherwise not applicable.	Independently determine the provisions and clauses to include in the solicitation.	Solicitation Preparation (26)
Evaluation Factors	Proposed evaluation factors are not reliable or valid, given the specification or statement of work.	Consult the requiring activity. Document discussions and enter the evaluation factors, as revised, in the solicitation.	Non-Price Factors (15)
Sources	Proposed restrictions on competition are not valid.	Consult the requiring activity. Document discussions and determine whether or not to restrict competition.	Competition Requirements (10)
Acquisition Plan	Plan is not complete or is otherwise inadequate.	Consult the requiring activity and obtain a revised plan, if any revisions are necessary.	Acquisition Planning (2)

UNIT 3 PURCHASE REQUESTS—APPENDIX I

GUIDELINES FOR REVIEWING PURCHASE REQUESTS

UNIT 4 FUNDING

February 1999

Duty	Determine if funds are available to commit the Government on a contractual action before solicitation.
Conditions	Given Purchase Requests and data on the market.
Overall Standard(s)	Correctly identify the type of funds provided, the period funds expire, and the amount of additional funds needed.

UNIT 4 FUNDING

Policies

FAR	*Agency Suppl.*	*Subject*
32.700 thru 32.703 32.705-1		Contract funding.
37.106		Funding and term of service contracts.
43.105		Availability of funds for modifications.
52.232-18 & .232-19		Availability of funds.

Other KSA's

1. Knowledge of the budget process and when each type of appropriation is applicable; knowledge of Anti-Deficiency Act.

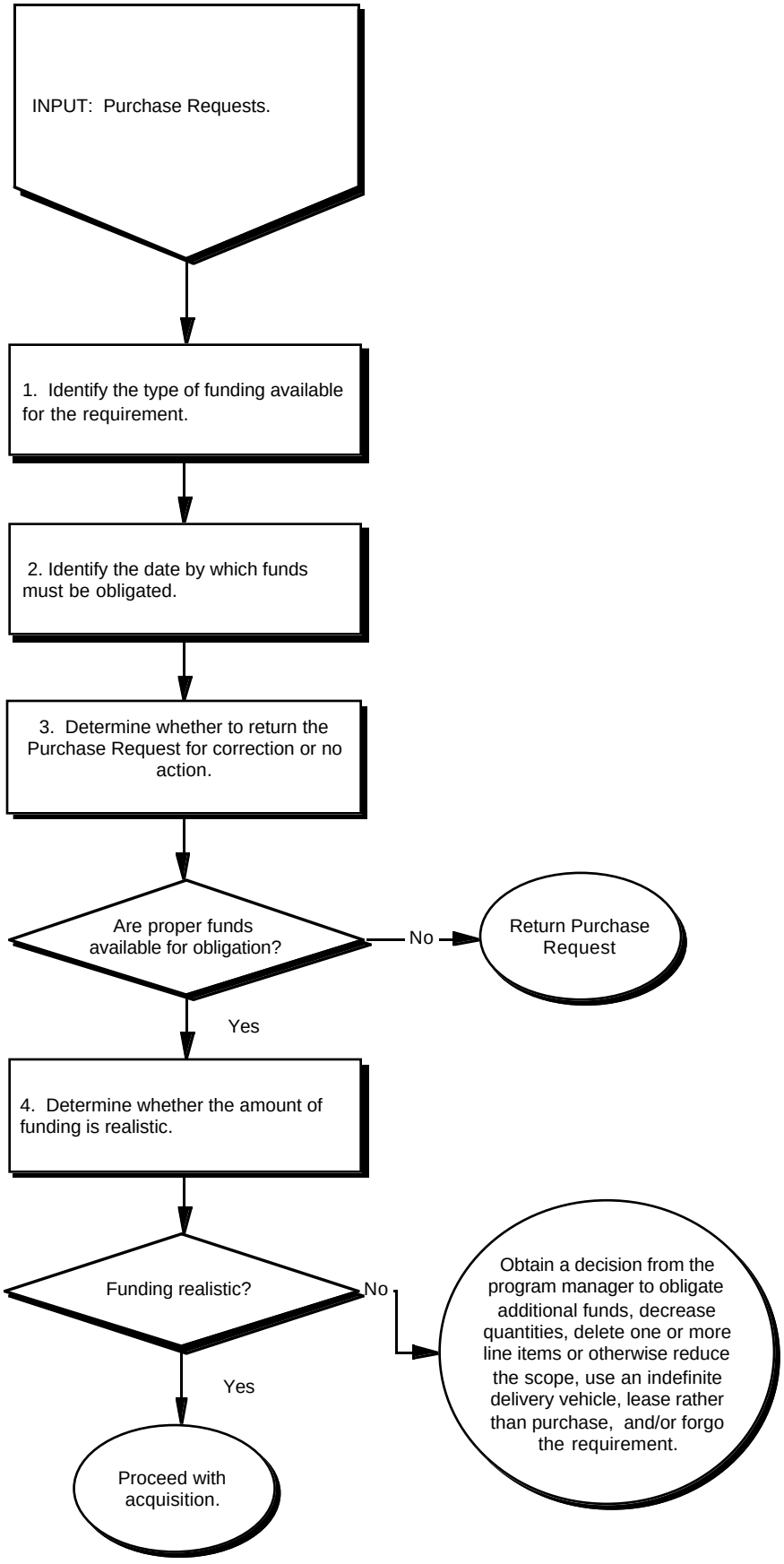
2. Knowledge of when obligation of funds occurs during the procurement action.

3. Knowledge of sources of data on market prices; skill at forecasting market prices and analyzing the pricing decisions of business entities (from Marketing and Economics), in terms of determining whether the realism of amounts obligated against a requirement.

4. Knowledge of the relationship between line and staff authority; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers (from Organization and Management).

Other Policies and References (Annotate As Necessary):

UNIT 4 FUNDING



UNIT 4 FUNDING

Tasks	Related Standards
1. Identify the type of funding provided and select the matching contract clause. • multiyear. • annual. • no year.	1. Correctly identify whether the agency has authority to establish multiyear contracts. Contract clauses must correctly match the type of funding available.
2. Determine the date by which funds must be obligated and if funds are likely to be available prior to award. Special circumstances: • No money for the requirement is available in a continuing resolution but the agency's appropriation act has funding for the requirement and is nearing passage. • The award will be made in the following fiscal year, and money for the procurement has been appropriated in the budget for the coming fiscal year.	2. Avoid violation of Anti-Deficiency Act. Incorporate the clause at 52.232-18 when the conditions at FAR 32.703-2(a) are met. Incorporate the clause at 52.232-19 when the conditions at FAR 32.703-2(b) are met. Note: Agencies other than NASA may obligate current year funds for a service contract (or an order under a task order contract or an option) for a period of performance that ends in the following fiscal year — with the contract entirely funded out of the first year's appropriations. However, the period of performance for the contract, order, or option so funded may not exceed twelve months.
3. Determine whether to return the purchase request to the requiring activity for correction or no action.	3. Return the purchase request when: • The wrong type of funds have been provided. • There is insufficient time to obligate the funds through award of a contract (e.g., 4th. quarter purchase requests). Correctly explain the funding options available to the requiring activity, in terms of the type of money appropriate for the procurement when time is not sufficient to obligate funds.
4. Prior to initiating the procurement action, determine if the amount of funds provided are realistic. • If funds are not realistic, advise the requiring activity and determine whether additional funding can be made available. • If requiring activity has no additional funds: - Decrease quantities. - Delete one or more line items. - Otherwise modify the statement of work to reduce estimated cost. - Forego the requirement or proposed modification.	4. Given information from acquisition histories and market research (see Unit 5), accurately determine the likelihood of acquiring the deliverable within available funding. Correctly explain the impact on the procurement (e.g., potential for delays or cancellation) if funds are insufficient.

UNIT 5 MARKET RESEARCH

September 1998

Part A: Market Investigation

Duties

1. Obtain data from acquisition histories and other in-office sources.

2. Collect and compile additional market information.

Conditions

Given forecast requirements, acquisition plans (if any), Purchase Requests (if any at this stage of the acquisition), related contract files, and other reference materials (e.g., current contracts, prior contracts, catalogs, trade journals, and commodity indices).

Overall Standard(s)

Identify all relevant sources of information available within and outside the contracting activity. Extract and compile data necessary for analyzing the requirement, determining the extent of competition, source selection planning, establishing solicitation provisions and clauses, soliciting offers, evaluating offers, and awarding contracts.

Comply with the requirement in FAR 7.102 to conduct market research for all acquisitions.

Part B: Exchanges Prior to Soliciting.

Duties	1. Determine whether and how to initiate exchanges of information with prospective offerors prior to soliciting. 2. Coordinate and participate in early exchanges.
Conditions	Given forecast requirements, acquisition plans (if any), Purchase Requests (if any at this stage of the procurement), related contract files, and results of preliminary market investigation (Part A).
Overall Standard(s)	Correctly identify the method(s) of exchange that best fits the requirement, in terms of improving the Government's ability to obtain quality supplies and services at reasonable prices, and/or increased efficiency in proposal preparation, proposal evaluation, negotiation, and contract award. Exchanges are effective in terms of: (a) Helping prospective offerors make better decisions about whether or not it will be worth their while to compete for the award. (b) Enabling prospective offerors to prepare initial offers that will better meet the Government's functional requirements (in terms of quality, total acquisition cost, timeliness, et. al.). (c) Enabling the Government to prepare solicitations that will optimize the acquisition process and result. All exchanges are consistent with procurement integrity requirements (see FAR 3.104). Do not disclose information from prospective offerors if doing so would reveal that offeror's confidential business strategy, and would be protected under FAR 3.104 or FAR Subpart 24.2. When specific information about a proposed acquisition that would be necessary for the preparation of proposals is disclosed to one or more potential offerors, that information shall be made available to the public as soon as practicable, but no later than the next general release of information, in order to avoid creating an unfair competitive advantage. When conducting exchanges, be careful not to give the appearance of favoring one potential offeror over another. Ensure that comparable access to Government officials is granted to all potential offerors.

UNIT 5 MARKET RESEARCH

Policies

FAR	*Agency Suppl.*	*Subject*
2.101		Definition of market research.
4.8		Contract files (in terms of information that should be available for reconstructing acquisition histories).
5.204 5.205(a)-(b)		Synopsis requirements for presolicitation and other advance notices.
5.405		Obtaining acquisition information from other agencies.
6.303-2(a)(8)		Market research for other than full and open competition.
7.102		Requirement to conduct market research as part of acquisition planning.
7.103(l) & (q)		Requirements to review acquisition histories and descriptions of the supplies or services
7.2		Economic purchase quantities.
7.403		GSA assistance.
10		FAR Part on market research
11.002		Specifying needs using market research.
12.101		Market research to determine whether commercial or non-developmental items are available.
14.205-1(d)		Solicitation mailing list applications.
15.201 & 15.202		Exchanges with industry before receipt of proposals; advisory multi-step process.
19.202-2		Locating small business sources.
35.004		Market research for R&D.
39.101		Market research to assess changing nature of information technology.
47.205		Availability of GSA and DoD term contracts for transportation services.
52.215-3		Requests for Information or solicitations for planning purposes.

Other KSA's

1. Knowledge of market research and sources of data on markets (from Marketing); skill in identifying market data relevant to Federal Contract Management business decisions — including the definition of "market research" at FAR 2.101: "collecting and analyzing information about capabilities within the market to satisfy agency needs". [§2.101]

2. Skill at market analysis; knowledge of business goals and strategies, market environments, market measurement and forecasting, market segments and product differentiation, product life cycles and market evolution, market prices, market channels/middlemen, physical distribution, industrial markets, and source selection factors and procedures in industrial and public markets (from Marketing).

3. Knowledge of business trends, cycles, and forecasting.

4. Knowledge of the fundamentals of supply and demand; knowledge of derived demand and the determination of factor-prices.

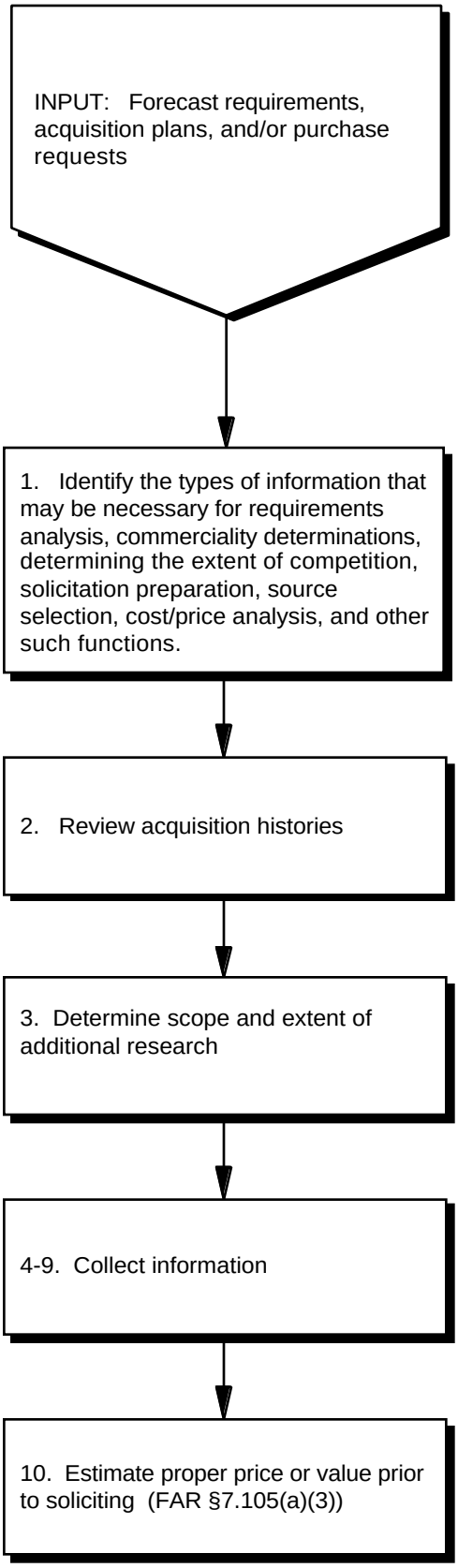
5. Knowledge of on-line information services and skill at using terminals to access and download data from the services.

6. Knowledge of sources of financial information on markets and individual firms.

Other Policies and References (Annotate As Necessary):

UNIT 5 MARKET RESEARCH

Part A: Market Investigation



UNIT 5 MARKET RESEARCH
Part A: Market Investigation

Tasks	Related Standards
1. Identify types of market information needed for the acquisition. · Availability of commercial and nondevelopmental items. - Salient characteristics. - Prices. - Price/feature tradeoffs. - Support services. - Product reliability and history. - Typical customizing, modifying or tailoring for commercial customers. - Potential cost of modifying the item to meet particular needs. · Commercial Practices and Trends: - Commercial specifications and industry standards. - Customary terms and conditions (e.g., discounts, warranties, buyer financing, et. al.) - Laws and regulations unique to the item. - Production and delivery lead-times. - Technological/product changes and forecasts. - Trends in market prices. - Trends in supply/demand. - Factors that affect market prices (e.g., cost of money, raw materials prices). · Available sources: - Status (e.g., small business, women-owned small business concern, other). - Past performance. - Market shares and niches. - Market/corporate strategies. - Production capability - Distribution and support capabilities. - Technical strengths and weaknesses. - Business and organizational strengths and weaknesses - Patent and data rights. · Practices and trends in Federal procurements of the same or similar requirements. - Other Federal buyers. - Trends in Federal demand. - Trends in prices paid by the Federal Government and procurement lead-times. - Problems and issues in the award and administration of prior contracts. - Applicable laws and regulations.	A1. Correctly list the major categories of market information. For each type of information, correctly identify related contracting duties and describe how the information can be applied in performing each such duty. Comply with the requirement at FAR 10.001(a)(3)(ii) for researching the availability of commercial items or (to the extent commercial items suitable to meet the agency's needs are not available) nondevelopmental items. Comply with the requirement at FAR 10.001(3)(a)(iv) for researching the practices of firms engaged in producing, distributing, and supporting commercial items, such as terms for warranties, buyer financing, maintenance and packaging and marking. Comply with the requirement at FAR 10.001(a)(3)(i) for conducting market research to determine if sources capable of satisfying the agency's requirements exist.

UNIT 5 MARKET RESEARCH
Part A: Market Investigation

Tasks	Related Standards
2. Review acquisition histories on current or prior contracts for the same or similar requirements. · Contract files. · Contacts with other buyers who have experience in buying the supply or service.	A2. Comply with the requirements in FAR 7.103(l) to review acquisition histories and descriptions of the supplies and services to be procured.
3. Determine the scope and extent of additional research. · Review information already in hand (including your personal knowledge of the market from prior contract actions, information supplied by the requiring activity, and the findings of recent research on like requirements). · Identify information deficiencies. · Select sources of additional information. · Plan the collection of additional market information (i.e., when and how) during the acquisition planning, presolicitation, solicitation, and evaluation phases. · Consult the acquisition team about roles and responsibilities for conducting additional market research.	A3. Identify all readily available sources of market information within the contracting office; extract all pertinent information. In determining the extent of additional research, consider such factors as urgency, estimated dollar value, complexity, and past experience. Do not invest more resources (e.g., lead-time, available staffhours, and money) in market research than are warranted by the potential benefits. When acquiring items under the Simplified Acquisition Threshold, conduct market research only when adequate information is not available and the circumstances justify the cost of such research.
4. Identify and collect data from catalogs, periodicals, and other published or interactive on-line sources. · Consumer Reports on-line · Yellow pages. · Commercial catalogs. · Thomas Register. · Vendor files. · Mandatory and optional schedules; BOAs. · Trade journals. · Public news media. · Procurement directories. · Product brochures and promotional literature. · Tariffs. · Commodity indices. · Other data collected and compiled for the contracting office.	A4. Correctly identify all potential sources and the types of data typically available from each such source.

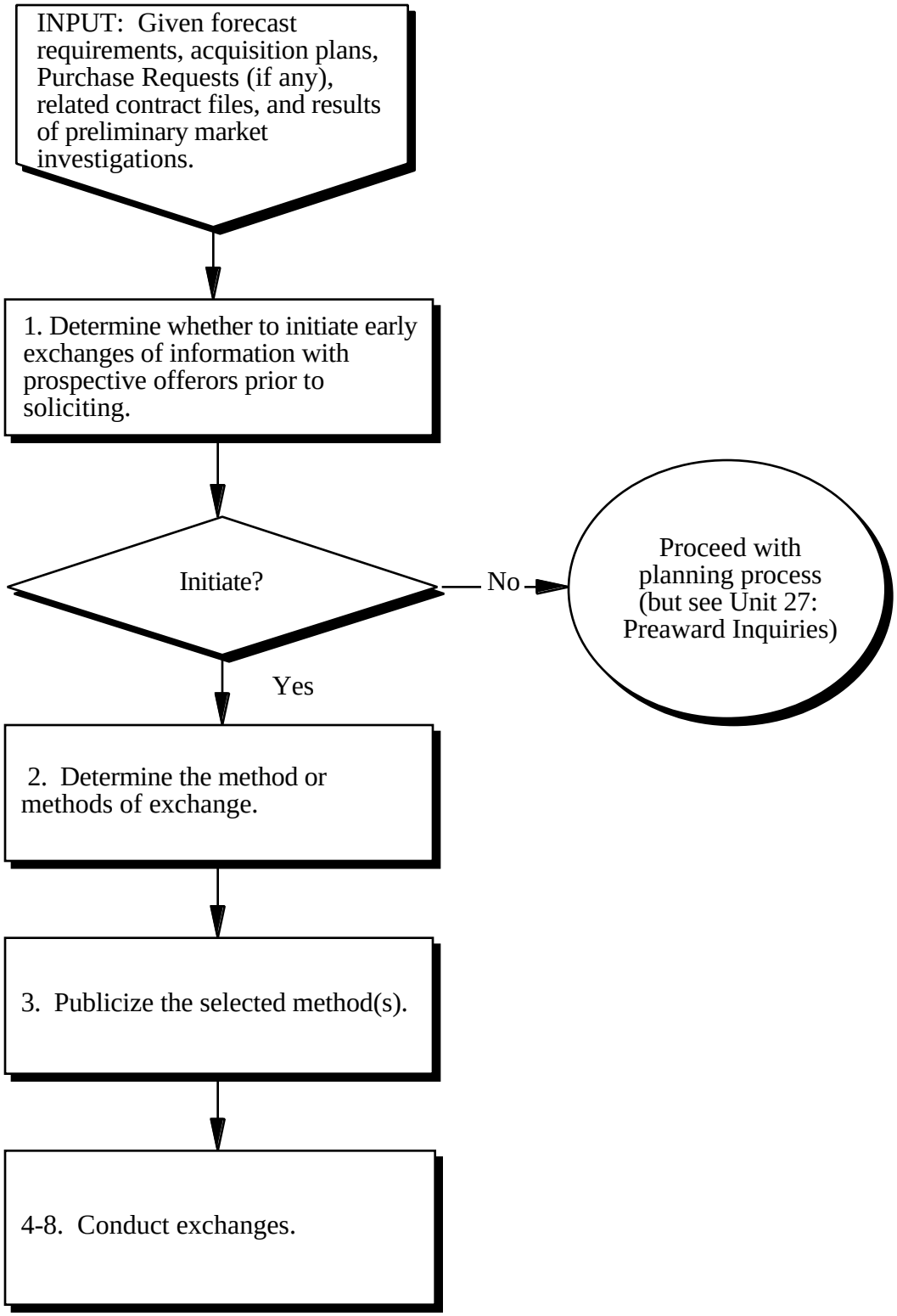
UNIT 5 MARKET RESEARCH
Part A: Market Investigation

Tasks	Related Standards
5. Collect data from Government buyers, commodity specialists, technical experts, and other market researchers — e.g., through interactive, on-line communication among industry, acquisition personnel, and customers.	A5. Correctly identify all potential Government sources and the types of data typically available from each such source.
6. Collect data from industry buyers, State and local Governments, and other non-Federal buyers. · Through interactive, on-line communication among industry, acquisition personnel, and customers. · Through low tech phone or mail surveys of buyers in the market. · Through direct contacts with customers referenced by the contractor.	A6. Correctly identify the types of data typically available from buyers and methods of obtaining the data from them.
7. Collect data from trade and professional associations (e.g., Better Business Bureau and the Chamber of Commerce) and State and local Government watchdog agencies.	A7. Correctly identify the types of data typically available from such organizations and methods of obtaining the data from them.
8. Collect data from non-profit product standards and testing organizations.	A8. Correctly identify the types of data typically available from such organizations and methods of obtaining the data from them.
9.Collect data from suppliers. · Phone surveys or formal questionnaires (i.e., Solicitation Mailing List Applications, market surveys, etc.). · Sources sought synopses. · Unsolicited comments and complaints regarding previous procurements. · Through exchanges per Part B of this Unit.	A9. Correctly identify the types of data typically available from suppliers and methods of obtaining the data from them.

UNIT 5 MARKET RESEARCH
Part A: Market Investigation

Tasks	Related Standards
10. Prior to soliciting, estimate the price and/or total (e.g., life cycle) acquisition cost of the supplies or services (per FAR 7.105(a)(3).	A10. Correctly calculate the probable range of prices that will be offered and key cost drivers.

UNIT 5 MARKET RESEARCH
Part B Exchanges Prior To Soliciting



UNIT 5 MARKET RESEARCH
Part B Exchanges Prior To Soliciting

Tasks	Related Standards
1. Determine whether to initiate early exchanges of information with prospective offerors.	B1. For the requirement at hand, correctly identify the potential benefits of such exchanges and determine whether those benefits would outweigh the Government's administrative costs.
2. Selected a method or methods for exchanging information. Exchange Methods: · Industry panels. · Requests for Information (RFI) · Presolicitation notice. · Presolicitation conferences. · One-on-One Meetings. · Public Hearings.	B2. Correctly select the exchange method or methods (if any) that best fit the procurement. Accurately describe the pros and cons of available methods in terms of the overall standard for this duty. The method selected should reflect the complexity and risks associated with the acquisition. For instance, a public hearing would not be required for simple, straight forward requirements. Industry panels ordinarily are held prior to drafting requirements documents as a an invaluable preliminary to the drafting job. Requests for Information (RFIs) are most appropriate for relatively complex requirements, that are difficult to explain in a CBD synopsis. RFIs allow the Government to explain their needs in length and support the submission of relatively voluminous data from potential offerors.
3. Publicize the selected method of exchange (except one-on-ones). (The special notices of procurement matters at 5.205(c), or electronic notices, may be used to publicize the Government's requirement or solicit information from industry.)	B3. Advertise early industry involvement opportunities, whenever possible, by placing notices in the CBD, or by posting notices electronically on public bulletin boards, Internet homepages, etc. Be careful not to give the appearance of favoring one potential offeror over another. Ensure that comparable access to Government officials is granted to all potential offerors.

UNIT 5 MARKET RESEARCH
Part B Exchanges Prior To Soliciting

Tasks	Related Standards
4. Establish and conduct industry panels to assist in developing specifications. Subtasks: · Publicize panel meeting schedule. · Select members. · Establish goals of the panel. · Lead discussions. · Brief requiring activities on their roles.	B4. Select a representative sample of suppliers. Identify successful commercial approaches. Open panel meetings to the public. Make all information provided to the panel, along with complete transcripts of the panel sessions, available to other interested parties, along with all comments and recommendations from the panel. (Usually done before drafting requirements documents.)
5. Issue Requests for Information or solicitations for planning purposes.	B5. Incorporate the provision at 52.215-3, Request for Information or solicitation for planning purposes.
6. Draft presolicitation notices. Subtasks: · Synopsize availability of notice. · Provide condensed version of the proposed statement of work. · Request feedback on the proposed statement of work. · Request expression of interest in the contemplated acquisition by a specified date. · Invite to presolicitation conference (if any).	B6. Mail to known suppliers. Precisely define the information to be furnished by respondents in their responses. The presolicitation notice comply with FAR 15.201 and 202 and agency policies. Send copies of the solicitation to all respondents who respond affirmatively to the presolicitation notice.
7. Conduct presolicitation conferences. Subtasks: · Identify technical, legal, and other participants. · Brief technical, legal, and other participants on their roles. · Identify, synopsize, and mail presolicitation notices to prospective industry participants. · Open conference and brief participants on the proposed requirement. · Answer questions. · Obtain verbal feedback on statement of work. · Identify interest in submitting offers · Provide opportunity for on-site visit so that potential offerors can observe current operations under the existing contract (where applicable)	B7. Do not use such conferences to prequalify offerors. Provide copies of the solicitation to all organizations that are represented at the conference. (See Unit 28) Make materials distributed at the conference available to all potential offerors upon request.

UNIT 5 MARKET RESEARCH
Part B Exchanges Prior To Soliciting

Tasks	Related Standards
8. Conduct one-on-one meetings. · Identify prospective offerors for the meetings. · Determine scope of the meeting and participants. · Conduct the meetings. · Make specific information necessary for proposal preparation available to all prospective offerors as prescribed by FAR 15.201(f).	B8. Invite all prospective offerors known at the time of the meeting, For example: · Prior to any publicity, all on the solicitation mailing list. · All (and only those on the mailing list) who responded to an RFI and expressed interest in competing for award. · All who attended a presolicitation or preproposal conference or site visit. Include the contracting officer in any meeting that might substantially involve potential contract terms and conditions. Avoid any appearance of "wiring" the procurement (e.g., by inserting suggested language in requirements documents, when that language provides no obvious benefit to the Government in terms of mission accomplishment and is tailored to one particular offeror's deliverables or capabilities). If you disclose specific information about a proposed acquisition that would be necessary for proposal preparation to one or more potential offerors, make that information available to the public as soon as practicable, but no later than the next general release of information. On the other hand, do not disclose information if doing so would reveal the potential offeror's confidential business strategy, and would be protected under 3.104 or Subpart 24.2.

UNIT 5 MARKET RESEARCH
Part B Exchanges Prior To Soliciting

Tasks **Related Standards**

UNIT 6 REQUIREMENT DOCUMENTS

February 1999

Duty	Critique draft requirements documents and related elements of Purchase Requests.
Conditions	Given Purchase Requests and other related documents.
Overall Standard(s)	Ensure that requirements documents — as selected, modified, or drafted by the requiring activity in partnership with Contract Specialists and other members of the acquisition team — are phrased in terms that: • The market can satisfy. • To the maximum extent practicable, describe functions to be performed, the performance required, or essential physical characteristics — rather than design characteristics. • Establish a valid and reliable benchmark for determining whether offered supplies or services meet the functional need. • Encourage offerors to supply commercial items or (to the extent that commercial items suitable to meet the agency's needs are not available) other nondevelopmental items. • Will allow evaluators to consider "technically acceptable" all available commercial or other nondevelopmental items which can meet the functional need. • Exclude all products or services (commercially available or not) from consideration that cannot meet the actual functional need. • Include restrictive provisions or conditions only to the extent necessary to satisfy the needs of the agency or as authorized by law. • Promote full and open competition, with due regard to the nature of the supplies or services to be acquired.

UNIT 6 REQUIREMENT DOCUMENTS

Policies

FAR	*Agency Suppl.*	*Subject*
2.101		Definitions of "commercial component", "commercial item", and "nondevelopmental item".
5.204 5.205(c)		Synopsis requirements for presolicitation notices (e.g., pre-bid/pre-proposal conferences, meetings, and the availability of draft solicitations or draft specifications for review).
6.3		Brand name or equal.
7.103(a)&(		Promoting competition as an goal in preparing requirements documents.
7.103(b)		Encouraging offerors to supply commercial items or NDI.
7.103(l)(2)		Graphic representations of supplies.
7.103(m) 11.002(b)		Promoting use of metric system of measurement in proposed acquisitions.
7.103(n) 11.002(d)		Promoting the use of environmentally "friendly" and energy-efficient products and services
9.3		First article testing.
Part 11		Describing Agency Needs.
12.102		Criteria for determining applicability of FAR Part 12.
12.201 & 203		Impact of decision on applicability of FAR Part 12.
12.202		Describing the need in solicitations of offers or quotes for commercial items under FAR Part 12.
13.003(a)		Preference for use of simplified purchasing procedures under SAT.
13.5		Use of SAP for commercial acquisitions at or below $5 million.
19.202-1		Encouraging small business participation in acquisitions.
22.103-3(a)		"Solicitations normally shall not specify delivery or performance schedules that may require overtime at Government expense."
23.203		Considering energy conservation and efficiency data in the preparation of plans, drawings, specifications, and other product descriptions
23.4		Specifying use of recovered materials.
23.704		Favoring the acquisition of environmentally preferable and energy-efficient products and services.
24.1		Special review requirements for requirements documents that involve the design, development, or operation of systems of records.
25.405(b)		No requirements solely to preclude acquisition of eligible products under the Trade Agreements Act.
35.003(a) 35.005 35.007(c) 35.007(d) 35.007(g)		Work statements for research and development. Also FAR 35.010(a), 35.011(a), and 35.015(a).
37.601		Definition of "performance-based contracting".[1]
37.602-1		Statements of work for performance-based services contracts.[2]

[1] FAC 97-01.

39.1		Information technology requirements.
46.101		Definitions of contract quality requirements, contract quality assurance, inspection, and acceptance.
46.102		Policies regarding incorporation of inspection and other quality requirements.
46.103		Contracting office responsibilities for incorporating contract quality requirements.
46.2		Contract quality requirements.
46.3		Contract clauses related to quality requirements.
46.401 - 405		Specifying the Government's role and responsibility for contract quality assurance, including quality assurance surveillance plans.
46.503		Specifying the place of acceptance.
46.504		Providing for use of certificates of conformance.
46.7		Warranties.
52.209-3 - 4		First article approvals
52.211-5		Used/New materials.
52.211-8 through 211-9		Delivery time.
52.223-4		Recovered Material Certification.
52.223-9		Certification and Estimate of Percentage of Recovered Material for EPA Designated Items.
52.246-2 through 246-5		Inspection of supplies and services.
52.246-11		Higher-level contract quality requirements.
52.246-15		Certificates of conformance.
52.246-16		Responsibility for supplies.
52.242-2		Production progress reports.
52.247-29 through 52 247-44		Packing, marking and delivery points.

Other KSA's

1. Knowledge of:
   - Types of requirements documents and the pros and cons of each type (design, functional, performance).
   - Different forms and the pros and cons of each (Federal and Military Specifications, commercial item descriptions, brand name or equal descriptions and other documents prepared by requiring activities).
   - The impact of different types and forms of requirements documents on inspection and acceptance, and responsibility for performance.
   - The relationship between the requirements document and potential problems and issues in contract administration.
   - Federal and Military Indexes and how to obtain copies of existing specifications.
   - Techniques used in determining commerciality of supplies and services.

2. Skill at market analysis; knowledge of market segments and product differentiation; knowledge of product life cycles and market evolution (from Marketing).

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[2] FAC 97-01.

3. Knowledge of the relationship between specifications and market competition; in terms of barriers to entering markets, predatory and exclusionary tactics; unfair and unethical competition; restraint of trade; and monopolization (from Marketing).

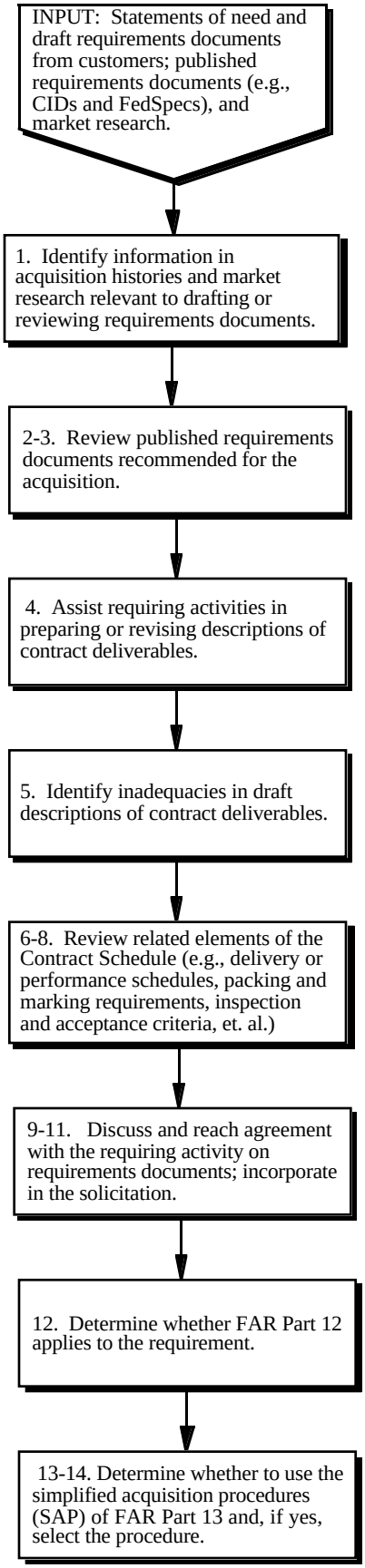
4. Knowledge of the relationship between line and staff authority; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers (from Organization and Management).

5. Ability to accurately apply FAR 2.101 definitions for commercial items and nondevelopmental items.

6. Knowledge of typical elements of Statements of Work.

Other Policies and References (Annotate As Necessary):

UNIT 6 REQUIREMENT DOCUMENTS



UNIT 6 REQUIREMENT DOCUMENTS

Tasks	Related Standards
1. Review acquisition histories and market research. In particular, look for: • Commercial or nondevelopmental items that can satisfy the stated requirement. • Requirement documents used in past Federal contracts for the same or like requirements and problems (if any) related to those documents (e.g., the document precluded the acquisition of commercially available items). • Feedback from suppliers on prior statements of work and/or requirements documents , e.g.: - Restrictive. - Includes nonessential preferences. - Obsolete. - Vague.	1. Ensure that appropriate market research has been conducted before developing new requirements documents for an acquisition. Ask the requirements manager to re-evaluate the requirement when initial market research indicates commercial and/or NDI might not be available to satisfy agency needs.
2. Review published requirements documents selected by the requiring activity for the acquisition. • Documents mandated for use by law or regulation pursuant to law. • Performance-oriented documents— - Nongovernment standards. - Commercial item descriptions. - Federal specifications and standards. - Military specifications and standards. • Design-based documents— - Nongovernment standards. - Federal specifications and standards. - Military specifications and standards. • Agency-unique standards, specifications and related publications issued by the government outside the military or Federal series for the non-repetitive acquisition of nondevelopmental items.	2. Ensure that requiring activities observe the order of priority at FAR 11.101 in selecting from among published requirement documents or submit any necessary justifications for using a lower priority requirements document. Also verify compliance with the Federal Standardization Manual and DoD 4120.3-M, Defense Standardization Program Policies and Procedures. (see also MILSTD 970 for more detail on each category)

UNIT 6 REQUIREMENT DOCUMENTS

Tasks	Related Standards
3. Recommend modifying or replacing published requirement documents. Among reasons for modifying or replacing published documents: • Published requirement documents exclude commercially available or nondevelopmental items (especially items new to the market) that can meet the need at a better price. • Inapplicable section(s). • Restrictive section(s). • Omitted features. • Published documents are written too loosely to exclude products or services (commercially available or not) from consideration that cannot meet the actual functional need.	3. Accurately advise requiring activities on benefits, constraints, and procedures for modifying or replacing published requirements documents. When citing an existing standardization document modified by the agency, follow the guidance in Federal Standardization Manual and DoD 4120.3-M, Defense Standardization Program Policies and Procedures.
4. Assist requiring activities in drafting or modifying requirements documents. Typical elements of requirements documents for systems acquisitions: • Background. • General Scope of Work/Objectives. • Contractor Tasks. • Contract End Items. • Physical/functional/performance characteristics (e.g., common nomenclature, kind of material, electrical data, dimensions, size, capacity, principles of operation, restrictive environmental conditions, intended use). • Packing, packaging and marking requirements. • Inspection and acceptance criteria. • Reporting requirements. • Data Requirements. • Support Equipment for Contract End Items. • References to Related Studies, Documentation, and applicable Requirements Documents (existing, modified, or new). • Government/Buyer Furnished Property, Facilities, Equipment, Services. • Government/Buyer Furnished Documentation. • Delivery schedules or period of performance. • Other data pertinent to requirement(s).	4. Assist or advise as requested (either as a member of an IPT or otherwise). Recommend soliciting feedback from prospective offerors per Unit 5, Part B, when potential benefits would outweigh any disadvantages (e.g., longer leadtimes; higher administrative costs and burdens). Include all (and only those) elements necessary to adequately describe the required product or service. Draft requirements documents, as prepared by the requiring activity, should meet the overall standard for the Unit.

Tasks	Related Standards
5. Identify inadequacies in draft requirements documents. • Use of design characteristics (e.g., describing how a service is to be performed or the number of hours to be provided)[3] for requirements that can with equal or greater validity and reliability be cast in terms of functions, performance, or essential physical characteristics. • Use of fixed minimum performance requirements rather than performance targets, when market research data suggests that the Government is likely to benefit by providing offerors the flexibility to propose price/performance tradeoffs. • Failure to provide sufficient detail for a potential offeror of commercial items to know which of its commercial products or services to offer. • Specification of a particular brand-name, product, or a feature of a product that is peculiar to one manufacturer, thereby unnecessarily precluding consideration of a product manufactured by another company. • Other restrictive or impractical requirements (in terms of the market's capabilities). • Nonessential or obsolete requirements. • Ambiguous or vague terms. • Unclear division of responsibilities between parties. • Omissions. • Too loosely worded to screen out inadequate products or services. • Government made responsible for supporting functions that contractors can do at lower cost. • Failure to use metric measurements where warranted. • Fails to require contractors and subcontractors at all levels to buy commercial (or other nondevelopmental) components for contract deliverables, to the maximum extent practicable. • Combining requirements into a single acquisition that is too broad for the agency or a prospective contractor to manage effectively. [4] • Requirements can be restated to promote the use of environmentally preferable and energy-efficient products and services (e.g., promoting energy conservation and the use of recovered material content and the elimination or reduction of ozone-depleting substances usage).	5. Recognize all changes necessary to improve the document's ability to yield the best market response (in terms of competition, quality, timeliness, price and the actual functional need). In particular, question any aspect of the requirement that prevents use of commercial or nondevelopmental items. Where necessary for reviewing the description of the supplies, obtain a picture, drawing, diagram, or other graphic representation of the requisitioned supplies. Only accept a "brand-name" specification if: • Market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or can not be modified to meet, the agency's needs, AND • The requiring activity provides an approved J&A for other than full and open competition.

[3] FAC 97-1.
[4] FAC 97-1.

UNIT 6 REQUIREMENT DOCUMENTS

Tasks	Related Standards
6. Determine whether to authorize Government acceptance of a variation in the quantity of items called for. • Establish the percentage(s). • Determine the quantity to which the percentage variation applies, by destination or shipment. • Determine whether to include the clause at 52.211-17, to provide that— - Excess quantities of items totaling up to $250 in value may be retained without compensating the contractor; and - Excess quantities of items totaling over $250 in value may, at the Government's option, be either returned at the contractor's expense or retained and paid for at the contract unit price.	6. Authorize acceptance of quantity variations in supply contracts when a variation in quantity where such variations are often caused by conditions of loading, shipping, or packing, or by allowances in manufacturing processes. Base the permitted overrun or underrun on normal commercial practices of the particular industry for the particular item. Do not use a standard variation percentage. Do not authorize a percentage larger than is necessary to afford a contractor reasonable protection. The permissible variation shall not exceed plus or minus 10 percent unless a different limitation is established in agency regulations.
7. Determine whether used materials, reconditioned materials, remanufactured materials, former Government surplus property, or residual inventory would be acceptable in meeting the need. • In the solicitation, clearly identify the material (if any) that must be virgin. • If some material must be new, insert the clause at 52.211-5 (and identify any requirement for virgin material elsewhere in the solicitation). • When a contract calls for material to be furnished at cost, the allowable charge for former Government surplus property shall not exceed the cost at which the contractor acquired the property.	7. When acquiring non-commercial items, require offerors to identify used, reconditioned, or remanufatured supplies, or unused former Government surplus property proposed for use under the contract. When acquiring commercial items, limit (to the maximum extent practicable) requirements for such information to that provided pursuant to normal commercial practices. Do not require virgin material or supplies unless compelled by law or regulation or unless virginal material is vital for safety or meeting the contract's performance requirements. When determining whether to authorize use of other than new material supplies or property, consider the following criteria. • Whether the item has been designated by EPA as an item that is or can be made with recovered materials in 40 CFR Part 247 and accompanying RMANs (see FAR Part 23.404 for policies and procedures regarding the acquisition of such items). • When acquiring commercial items, customary practice in the industry. Do not require new materials if that is contrary to customary commercial practice; and vice versa. • Safety of persons or property. • Performance requirements. • Price reasonableness. • Total cost to the Government (including maintenance, inspection, testing, and useful life).

Tasks	Related Standards
8. Critique related elements of the Purchase Request. Based on data from acquisition histories and market research, review: • Inspection and acceptance criteria and requirements (including any requirements for first article testing). • Quality assurance surveillance plans for service contracts. • Delivery/shipment requirements. • Packaging, packing, preservation, and marking. • Contract administration requirements.	8. With respect to the requiring activity's recommendations in the Purchase Request, recognize all changes necessary to improve the solicitation's ability to yield the best market response (in terms of competition, quality, timeliness, price and the actual functional need). In particular, identify changes necessary to incorporate the practices of firms engaged in producing, distributing, and supporting commercial items. Where the requiring activity failed to provide a recommendation (e.g., on packaging requirements), suggest any special requirements that would improve the market's response to the Government's actual functional need. When acquiring services using performance-based statements of work: • Ensure that the surveillance plans specify all work requiring surveillance and the method of surveillance. • Question whether the proposed performance standards in the surveillance plan establish valid and reliable measures (e.g., in terms of quality, timeliness, quantity, etc.) for assessing work performance.[5]

[5] FAC 97-01.

UNIT 6 REQUIREMENT DOCUMENTS

Tasks	Related Standards
8.1 Establish delivery or performance schedules. • Select a method for expressing the schedule (e.g., specific calendar dates, specific periods from the award or notification date, etc.) • Determine whether to allow offerors to propose alternate schedules. • Determine the specific number of days to enter into the solicitation for delivery or performance.	8.1 Consider: • Urgency of need. • Industry practices. • Market conditions. • Transportation time. • Production time. • Capabilities of small business concerns. • Administrative time for obtaining and evaluating offers and for awarding contracts. • Time for contractors to comply with any conditions precedent to contract performance. • Time for the Government to perform its obligations under the contract; e.g., furnishing Government property.
8.2 Determine whether to incorporate a liquidated damages clause. • Determine a reasonable rate. • Determine whether to provide for a declining rate over specified increments. • Determine whether to provide an overall maximum dollar amount or period of time or both during which damages may be assessed. • Incorporate the appropriate clause and rates in the solicitation.	8.2 Only provide for liquidated damages when both: • The time of delivery or performance is such an important factor in the award of the contract that the Government may reasonably expect to suffer damage if the delivery or performance is delinquent, and • The extent or amount of such damage would be difficult or impossible to ascertain or prove. Also consider the probable effect on such matters as pricing, competition, and the costs and difficulties of contract administration.
9. Discuss and reach agreement with the requiring activity on the requirements documents. Potential tactics: • Ask leading questions. • Play devil's advocate. • Provide "straw man" alternatives .	9. Sections B-G of the final solicitation (or the equivalent material when the solicitation is not written in the Uniform Contract Format) meet the overall standards for this Unit.

Tasks	Related Standards
10. Obtain justification from the requiring activity when restrictions apply (to be evaluated as provided in Unit 10).	10. Provide sufficient basis for restrictive requirements.
11. Determine whether to (1) incorporate the requirements documents by reference or (2) furnish the documents with the solicitation.	11. Comply with FAR policies at FAR 11.201. Generally incorporate by reference any requirements documents listed in GSA Index of Federal Specifications, Standards and Commercial Item Descriptions (GSA Index), the DoD Index of Specifications and Standards (DoDISS), or other agency index. Furnish and clearly identify in the solicitation any other pertinent documents. Do not normally furnish contractors with copies of documents incorporated by reference, except when— • Copies must be furnished with the solicitation to enable prospective contractors to make a competent evaluation of the solicitation; • Prospective contractors cannot obtain the documents in reasonable time to respond to the solicitation; or • A prospective contractor requests a copy of the requirements document. Ensure that requirements documents incorporated by reference are the current edition. Identify each document's approval date and the dates of any applicable amendments and revisions, when citing requirements documents listed in the GSA Index, DoDISS, or other agency index. When referencing specifications, specify the "as of" date rather than citing "date as of the issuance of this solicitation". When documents refer to other documents, such references shall: • Be restricted to documents, or appropriate portions of documents, that apply in the acquisition • Cite the extent of their applicability. • Do not conflict with other documents and provisions of the solicitation. • Identify all applicable first tier references.

Tasks	Related Standards
12. Determine whether the contracting officer is required to use the procedures, provisions, and clauses prescribed by FAR Part 12 in preparing and awarding the contract.	12. Correctly interpret and apply definitions for "commercial item" and NDI. Given the requirements documents to be used in the solicitation, correctly identify and apply the criteria in FAR Part 12 for making the determination.
13. Determine whether to use the simplified acquisition procedures (SAP) of FAR Part 13.	13. Plan to use SAP for procurements under the SAT "to the maximum extent practicable" — pending review of prospects for meeting the need by ordering from required sources, existing contracts, or a Blanket Purchase Agreement (Per Unit 9) . Also plan to use SAP for requirements at or below $5 million "to the maximum extent practicable" when you reasonably expect, based on the nature of the supplies or service sought and on market research, that quotes/offers will only include commercial items. Correctly identify situations for which SAP would not be practicable.

UNIT 6 REQUIREMENT DOCUMENTS

Tasks	Related Standards

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

September 1998

Part A: Government Furnished Property

Duty Determine whether to furnish Government property (GFP).

Conditions Given a purchase request and existing Government property that might be available for use by the contractor

Overall Standard(s) Identify and correctly apply the policies and procedures related to this determination given the type of property at issue (e.g., material, special tooling and test equipment, facilities, or agency peculiar property).

Part B: Contractor Acquired Government Property

Duty Determine whether to authorize a contractor to acquire "contractor acquired Government property"

Conditions Given a contractor's proposal to acquire facilities or special test equipment for the Government

Given a contractor's proposal to acquire material or special tooling for the Government under a fixed price contract[1]

Overall Standard(s) Identify and correctly apply the policies and procedures related to this determination, given the type of property at issue (e.g., special test equipment or facilities).

[1]Cost-type and time-and-materials contracts allow the contractor to acquire material for the Government as a direct charge to the contract. Title vests with the Government through the provisions of the Government property clause FAR 52.245-5(c). Unit 40 covers preaward analyses of proposed material acquisitions regardless of contract type. Unit 56 covers the consent requirements of FAR 52.244-2, including consent to subcontracts for material acquisition. Unit 79 covers property administration, including disposition of property.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part C: Government Sources Of Supply

Duty

Determine whether to authorize contractors to use Government supply sources.

Conditions

Given the availability of Government sources of supply.

Overall Standard(s)

Authorize use for contracts under the Javits-Wagner-O'Day Act, when:

- The nonprofit agency requesting use of the supplies and services is providing a commodity or service to the Federal Government, and
- The supplies or services received are directly used in making or providing a commodity or service approved by the Committee for Purchase From People Who Are Blind or Severely Disabled to the Federal Government.

For other contracts, correctly determine whether the use of Government supply sources can be authorized. If Government supply sources may be used, authorize use if the supplies are necessary for timely contract performance and:

- Government is the only source, or
- The total cost to the Government would be less than the cost of having the contractor use other sources.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Policies

FAR	*Agency Suppl.*	*Subject*
35.014(a)		Government property and title (related to R&D acquisitions).
44.201-2		Consent to acquire special test equipment and facilities
44.201-4		Contractor use of Government sources
45.101 and 45.301		Definitions.
45.102		Basic policy and criteria for furnishing property.
45.106		Property clauses.
45.3		Policies and procedures for providing Government property to contractors
45.6		Disposition and disposal of Government property
51.1		Use of Government supply sources.
52.245-2, -5, -7, -10, -11, and -19		Terms and conditions for Government property.
52.244-2 & 245-18		Approval and notification terms and conditions for facilities and special test equipment
52.251-1		Government supply sources.

Other KSA's

1. Knowledge of business finance.

2. Knowledge of FAR requirements for providing Government property (which includes furnishing Government property or allowing the supplier to acquire property "for the Government")

45.302	Facilities (Real property and plant equipment)
45.303	Material
45.304	Motor vehicles
45.306	Special tooling
45.307	Special test equipment
45-310	Agency peculiar property

3. Knowledge of policies and procedures for furnishing production and research property in an "As Is" condition under FAR 45.308 and 52.245-19.

4. Knowledge of potential liabilities incurred by the Government for Government Furnished Property (GFP), such as:
- Excusable delay for late or defective GFP.
- Disruptions and production inefficiencies due to late or defective GFP.
- Cost of repair or replacement of defective GFP.

5. Knowledge of potential liabilities incurred by the Government for Contractor Acquired Property (CAP), such as:
- Excusable delay for breakdown of CAP.
- Disruptions and production inefficiencies due to CAP breakdowns.
- Cost of repair or replacement of lost, damaged, or destroyed Government property.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

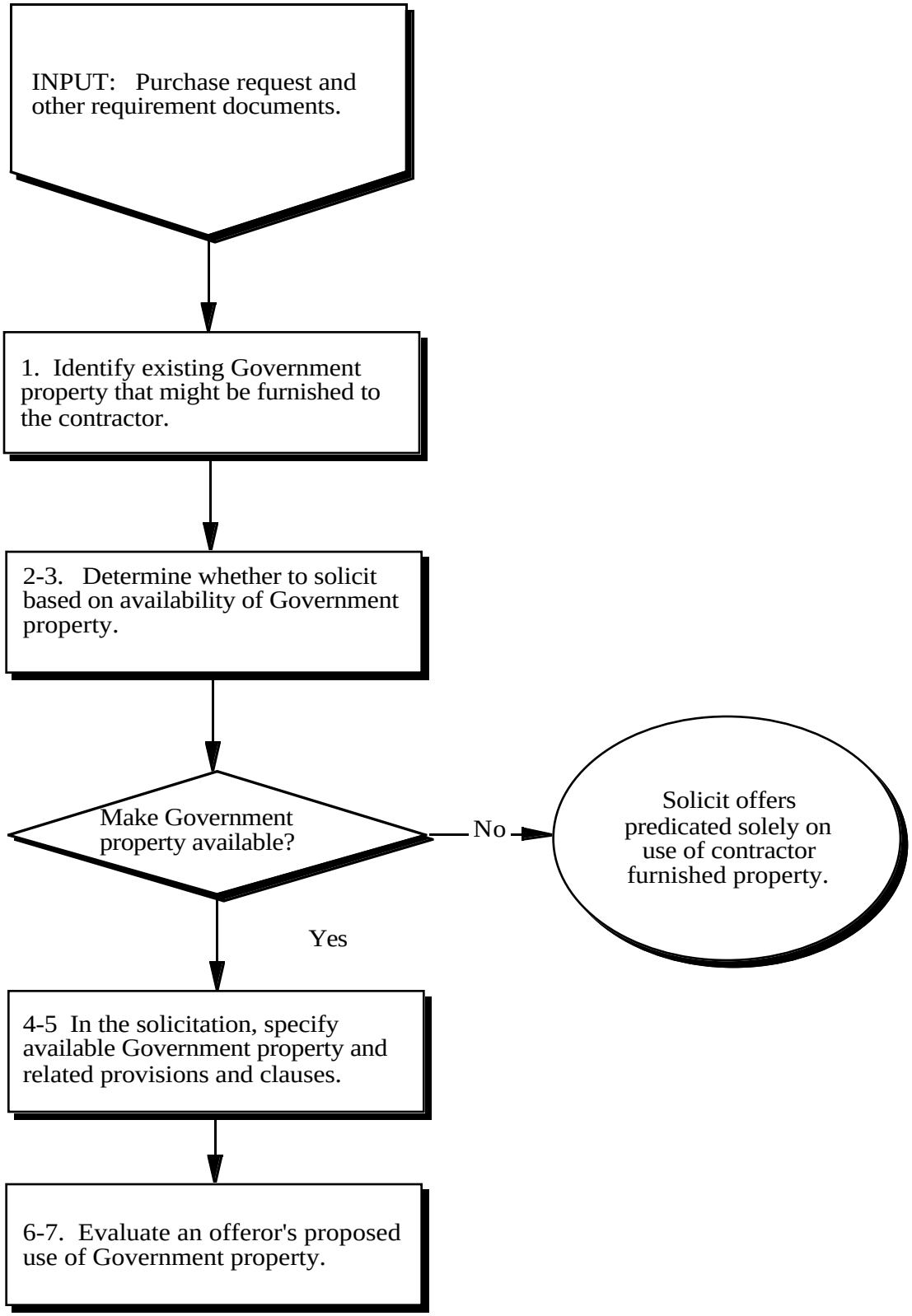
Other KSA's (continued)

6. Knowledge of opportunity costs and methods for estimating such costs.

7. Knowledge of disposal methodologies and priorities under FAR 45.6.

8. Knowledge of potential liabilities incurred by the Government for the disposal of Government property, including:
- Packing, crating, handling, and shipping costs.
- Disposal of hazardous wastes.
- Remediation of environmental hazards caused by Government property.

Other Policies and References (Annotate As Necessary):


INPUT: Purchase request and other requirement documents.
1. Identify existing Government property that might be furnished to the contractor.
2-3. Determine whether to solicit based on availability of Government property.
Make Government property available?
No
Solicit offers predicated solely on use of contractor furnished property.
Yes
4-5 In the solicitation, specify available Government property and related provisions and clauses.
6-7. Evaluate an offeror's proposed use of Government property.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part A: Government Furnished Property

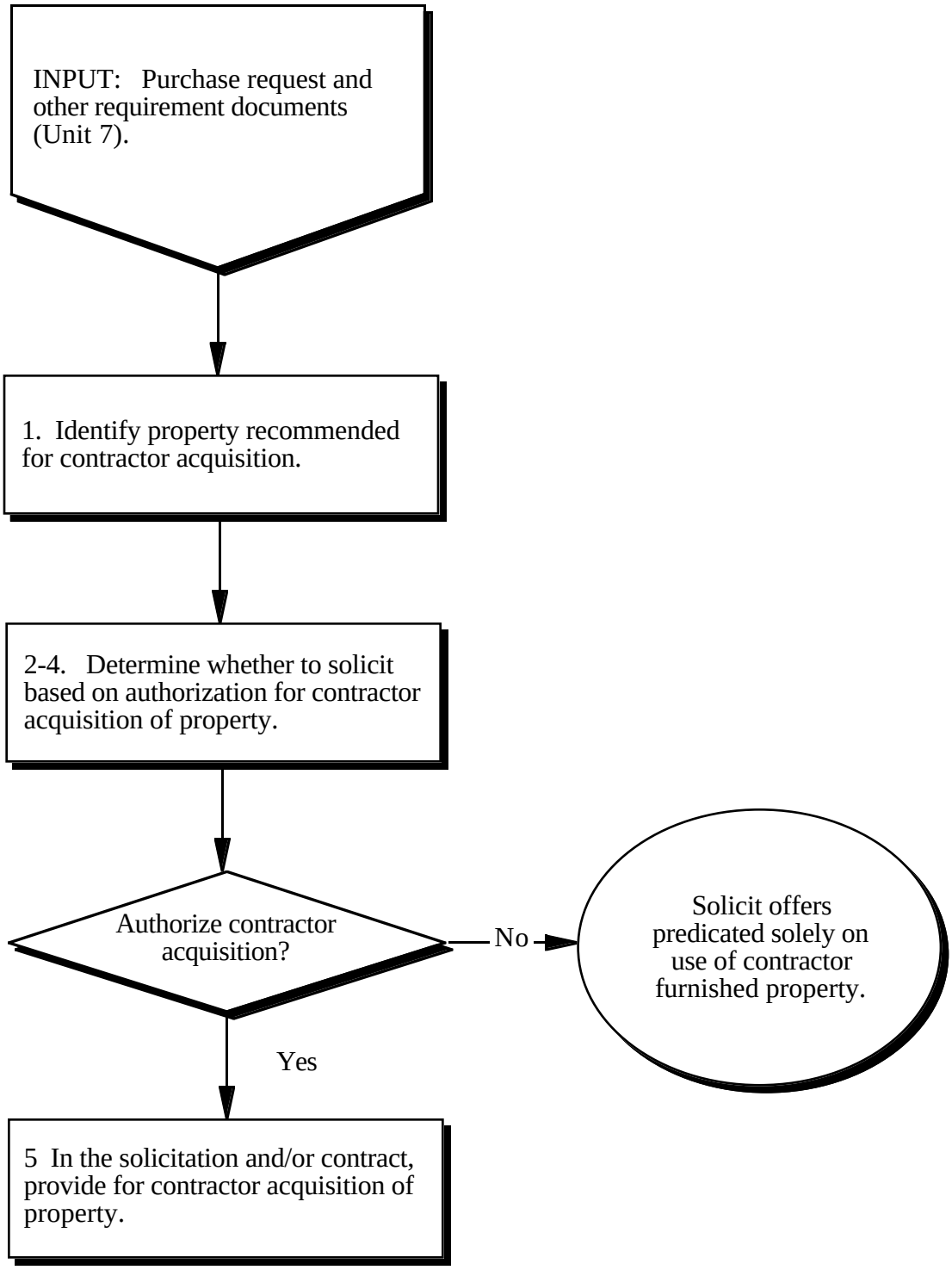
Tasks	Related Standards
1. Identify Government property that might be furnished to contractors. Based on: • Recommendations from requiring activities. • Review of acquisition histories (per Unit 5). • Supplier requests.	A1. Correctly classify the property at issue (e.g., special tooling and test equipment vs. facilities vs. material, etc.). Correctly identify any special restrictions or conditions that would apply to use of the property (e.g., whether the property would be furnished on an "as is" basis).
2. Determine whether or not solicit based on availability of Government property for the contractor's use in performing work under the contract.	A2. Correctly apply the FAR decision rules that apply to the type of property being considered. To the extent that the determination is based on a cost/benefit analysis, consider all relevant factors, such as: • Government liability for performance with GFP. • Cost of administering GFP provisions of the contract (e.g., reporting and recordkeeping). • Cost of logistics support for GFP (e.g, preparation, transportation, installation, maintenance, storage; disposition; spares). • Cost of retrofitting or modifying the GFP. • Opportunity costs of GFP (i.e., how would the Government otherwise use the property?). • Potential impact on the total contract price if the availability of GFP would attract more competitors for the contract. • Reduction in direct costs, indirect costs, and fee with GFP. • Economic benefits of standardization through GFP.
3. Obtain necessary approvals to provide property.	A3. Correctly prepare any necessary justifications and/or D&Fs (e.g., the D&F prescribed by FAR 45.302-1(a)(4) for issuance by the agency head or designee).
4. Identify property-related evaluation factors for award. • Determine whether to establish a "rental equivalent evaluation factor" or, when adjusting offers is not practical, to charge rent for using the property. • Establish evaluation factors for other potential costs and savings.	A4. Comply with FAR 45.201 and 45.202. Establish a rental equivalent evaluation factor (or change rent) where necessary to eliminate the competitive advantage accruing to a contractor possessing Government production and research property. Establish other evaluation factors to cover all costs or savings to the Government related to providing the property, regardless of any competitive advantage that may result.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part A: Government Furnished Property

Tasks	Related Standards
5. Provide for Government furnished property in the solicitation. • Specify the property (including quantity) • Specify property related evaluation factors. • Include any instructions for security, liability, maintenance, disposition, and/or property control that are applicable to the property. • Include any other required terms and conditions related to the property	A5. Specify the property in sufficient detail (including requisition procedures) to enable offerors to evaluate it accurately. Require the offeror to provide the information specified in FAR 45.205 for Government production and research property that the offeror or its subcontractors propose to use on a rent-free basis — both property offered in the solicitation and/or property already possessed by the offeror and its subcontractors under other contracts.
6. Determine whether an individual offeror's request for GFP is valid and practicable.	A6. Perform such an evaluation when: • The CO solicited offers based on GFP for comparison with offers based on contractor furnished property, or • An offeror has proposed different terms and conditions with respect to GFP than solicited (see Unit 29 to determine whether an amendment to the solicitation would be necessary if the request is valid and practicable).
7. Determine the evaluated price (per Units 37 and 40) of offers predicated upon GFP.	A7. Accurately apply the solicitation's evaluation procedures.

CONTRACTOR ACQUIRED PROPERTY



UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part B: Contractor Acquired Property

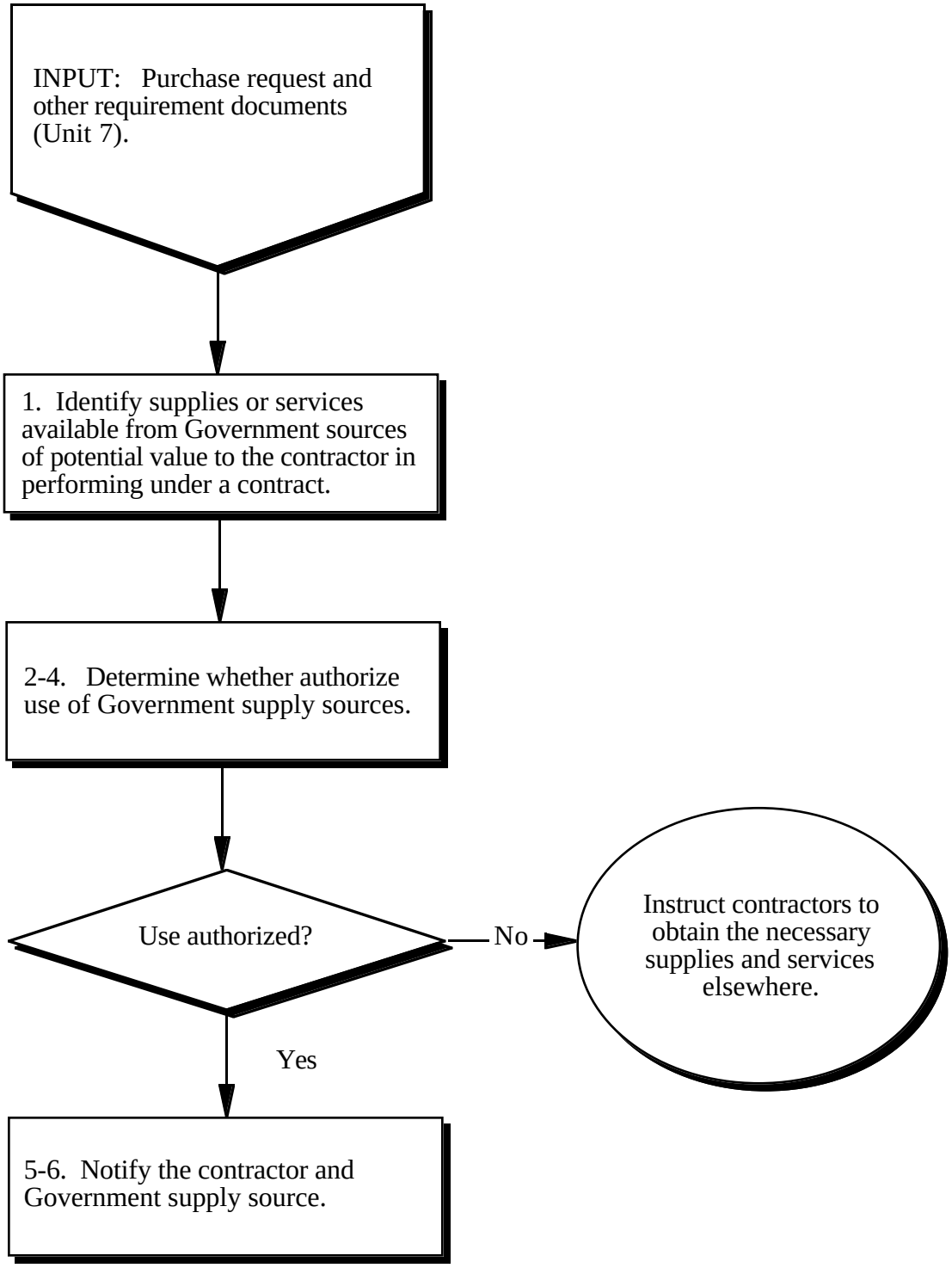
Tasks	Related Standards
1. Identify property recommended for contractor acquisition.	B1. Correctly classify the property at issue (e.g., special tooling and test equipment vs. facilities vs. material, etc.). Correctly identify all FAR provisions and other policies related to contractor acquisition of each class of property.
2. Determine whether or not to authorize contractor acquisition of special test equipment or facilities. Potential alternatives to contractor acquisition: • Furnish Government property, if available and suitable. • Determine that the property is not necessary for the contract.	B2. Correctly apply the FAR decision rules that apply to the type of property being considered.
3. Determine whether or not to authorize contractor acquisition of special tooling or other material under fixed price contracts. Potential alternatives to contractor acquisition: • Furnish Government property, if available and suitable. • Make no provision for the tooling or material in the contract.	B3. In determining whether to authorize acquisition of special tooling, correctly apply the factors at FAR 45.306-3: • The current or probable future need of the Government for the items involved (including in-house use) and the estimated cost of producing them if not acquired. • The estimated residual value of the items. • The administrative burden and other expenses incident to reporting, recordkeeping, preparation, handling, transportation, and storage. • The feasibility and probable cost of making the items available to other offerors in the event of future acquisitions. • The amount offered by the contractor for the right to retain the items. • The effect on future competition and contract pricing.
4. Request any necessary approvals.	B4. Obtain all necessary justifications, certificates (e.g., Certificate of Non-Availability) and/or D&Fs (e.g., the D&F prescribed by FAR 45.302-1(a)(4) for issuance by the agency head or designee).

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part B: Contractor Acquired Property

Tasks	Related Standards
5. Provide for contractor acquired property in the solicitation and/or contract . • Describe facilities in the facilities contract schedule, or as otherwise authorized, and include related clauses. • When special test equipment or components are known, separately identify each item that will be acquired or fabricated by the contractor for the Government. Individual items of less than $5,000 may be grouped by category. Include the clause at FAR 52.245-18, Special Test Equipment, if the exact identification of the special test equipment to be acquired or fabricated is unknown. • For contractor acquired special tooling and other material under fixed price contracts, specifically list the material in one or more separate contract line items and include related clauses (e.g., FAR 52.245-2(c)); FAR 52.245-17 for special tooling). • For cost type and time-and-material contracts, include the required property clauses.	B5. Include all required clauses in the solicitation and/or contract.

Government Sources of Supply



UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part C: Government sources of supply

Tasks	Related Standards
1. Identify supplies or services needed for the contract that are available from Government sources.[2] Examples: • The GSA FEDSTRIP program. • The DoD MILSTRIP program. • VA supply sources. • Bureau of Mines, Dept. of Interior, for Helium.	
2. Determine whether contractors may be authorized to use Government sources of supply. Contractors may be authorized when: • Working under a cost-reimbursement contract. • Working under other types of negotiated contracts if a substantial dollar portion of the contractor's contracts are cost reimbursement. • There is a need for security equipment when a fixed-price contract involves protection of classified information. • Performing a contract under the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) if (i) the nonprofit agency requesting use of the supplies and services is providing a commodity or service to the Federal Government, and (ii) the supplies or services received are directly used in making or providing a commodity or service approved by the Committee for Purchase From People Who Are Blind or Severely Disabled to the Federal Government	C3. Correctly document the decision to authorize use of the supply sources per FAR 51.102(a).
3. Determine whether it is in the Government's interest to authorize use of Government supply sources.	
4. Incorporate in the solicitation the clause at 52.251-1.	
5. Request, from the supplying agency, activity address codes, force activity designators, and approvals for the contractor's use of the supply source.	C5. The request should conform to the requirements of FAR 51.102(d).

[2]Note however that DoD policy prohibits the use of Government supply sources with respect to commercially available material.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part C: Government sources of supply

Tasks	Related Standards
6. Provide written authorization to the contractor and, where appropriate, notify the GSA regional office or military activity.	C6. The authorization should conform to the requirements of FAR 51.102(e) and provide the contractor with the ordering information in FAR 51.103. Also direct contractors to make payment promptly upon receipt of billings.

UNIT 7 USE OF GOVERNMENT PROPERTY AND SUPPLY SOURCES

Part C: Government sources of supply

Tasks	Related Standards

UNIT 8 SERVICES

September 1998

Part A: Authority To Purchase Services

Duty	Determine whether or not to contract for the requested services.
Conditions	Given Purchase Requests and data on the market.
Overall Standard(s)	Avoid contracting for unauthorized personal services, thereby precluding the circumvention of agency personnel ceilings and maintaining proper control of Government work. Avoid contracting for "inherently Governmental functions". Correctly distinguish advisory and assistance services and correctly determine whether or not the requested services may be procured.

Part B: Service Contract Act Wage Determinations

Duty	For work covered by the Service Contract Act, identify required skill classifications and prepare requests for wage determinations from the Department of Labor (DOL).
Conditions	Given Purchase Requests, acquisition histories, and data on the market.
Overall Standard(s)	Correctly (1) determine whether the Service Contract Act applies to the procurement, (2) identify the required skills to which it applies, and (3) incorporate Department of Labor wage determinations (including fringe benefits).

UNIT 8 SERVICES

Policies

FAR	*Agency Suppl.*	*Subject*
9.5		Organizational conflicts of interest.
7.5		Inherently Governmental functions.
11.105		Purchase descriptions for service contracts.
13.003(e)		Acquiring personal services under SAT.
22.10		Service Contract Act.
37		Service contracting.
52.222-41 thru 52.222-44 52.222-47 thru 52 222-49		Clauses related to the Service Contract Act.

Other KSA's

1. Knowledge of criteria for distinguishing personal from nonpersonal services contracts.

2. Knowledge of the criteria for distinguishing advisory and assistance services from other types of services.

3. Knowledge of the criteria for distinguishing professional from nonprofessional employees.

4. Knowledge of Department of Labor procedures and lead-times for requesting wage determinations.

5. Knowledge of the different skill classifications, in terms of analyzing proposals.

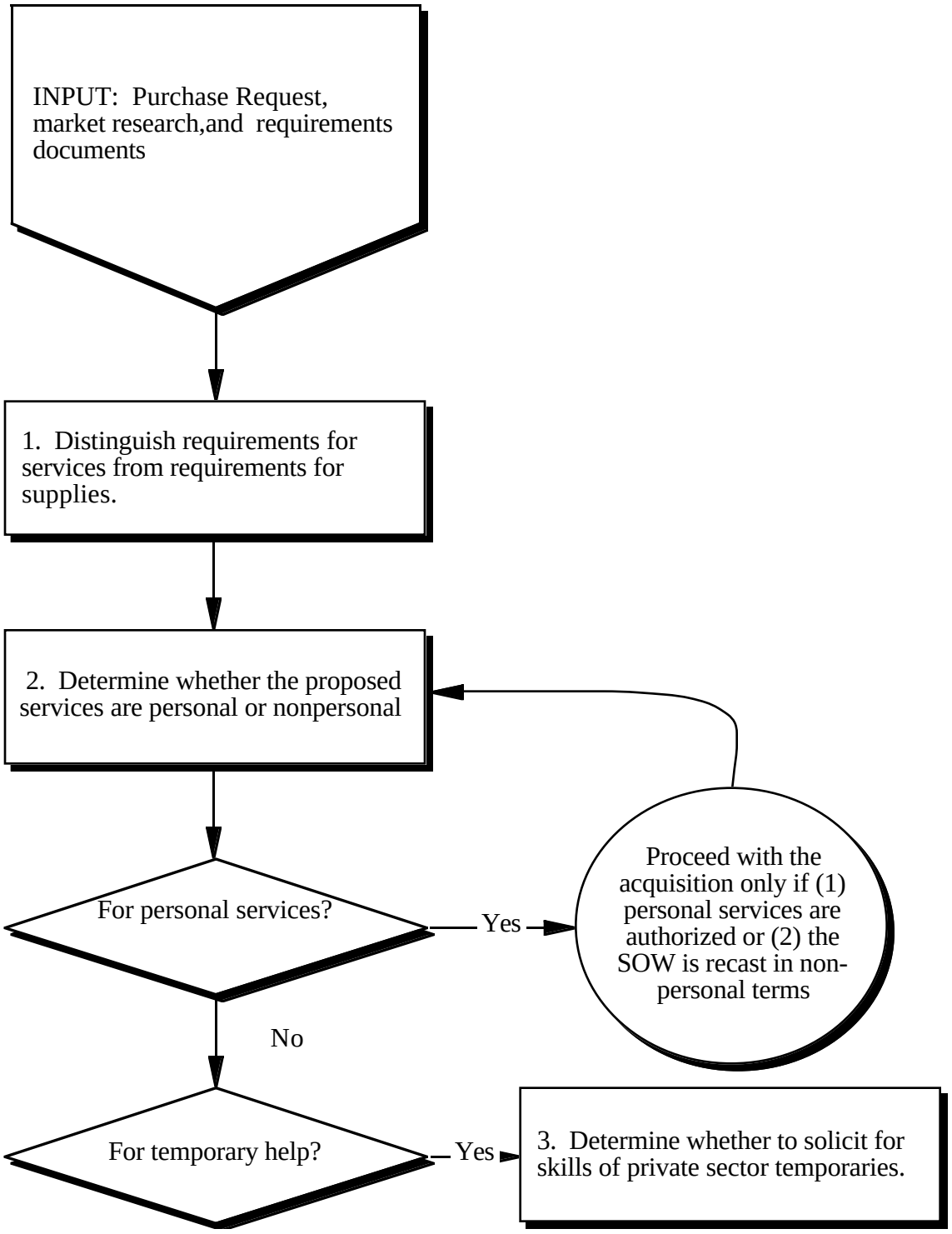
6. Knowledge of laws regulating employment, including laws on wages and hours of work and on labor management relations (from Business Law).

7. Knowledge of the relationship between line and staff authority; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers (from Organization and Management).

8. Knowledge of the fundamentals of supply and demand; knowledge of derived demand and the determination of wages (from Economics).

Other Policies and References (Annotate As Necessary):

Authority To Purchase Services



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Authority To Purchase Services

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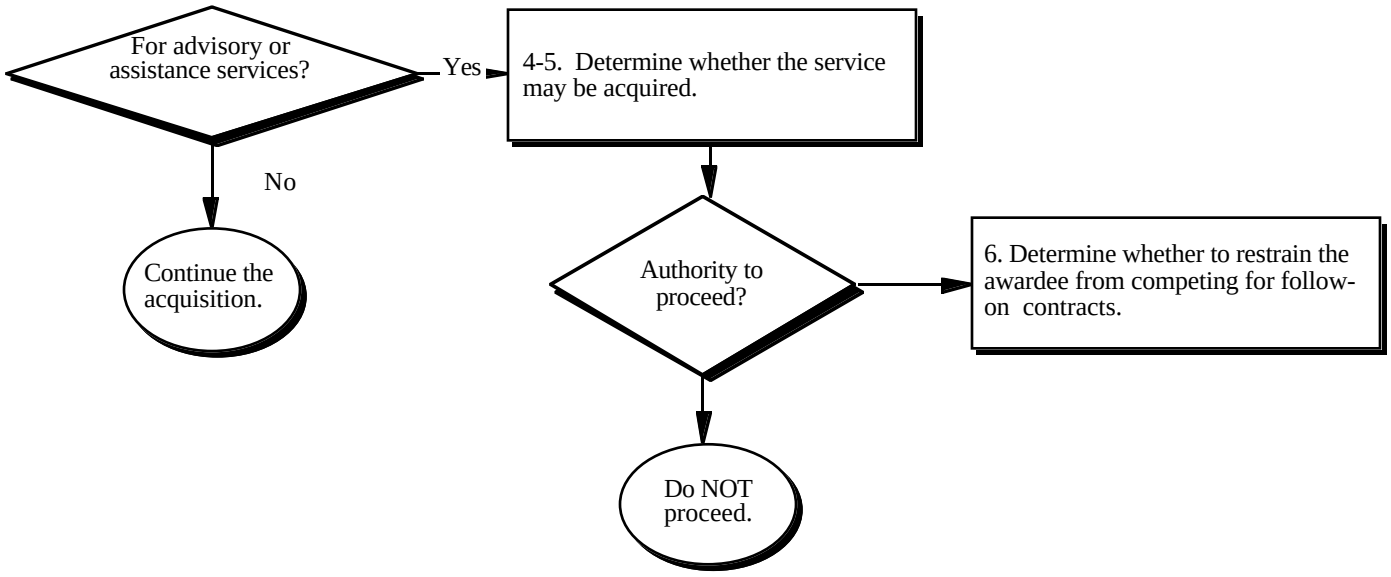


UNIT 8 SERVICES

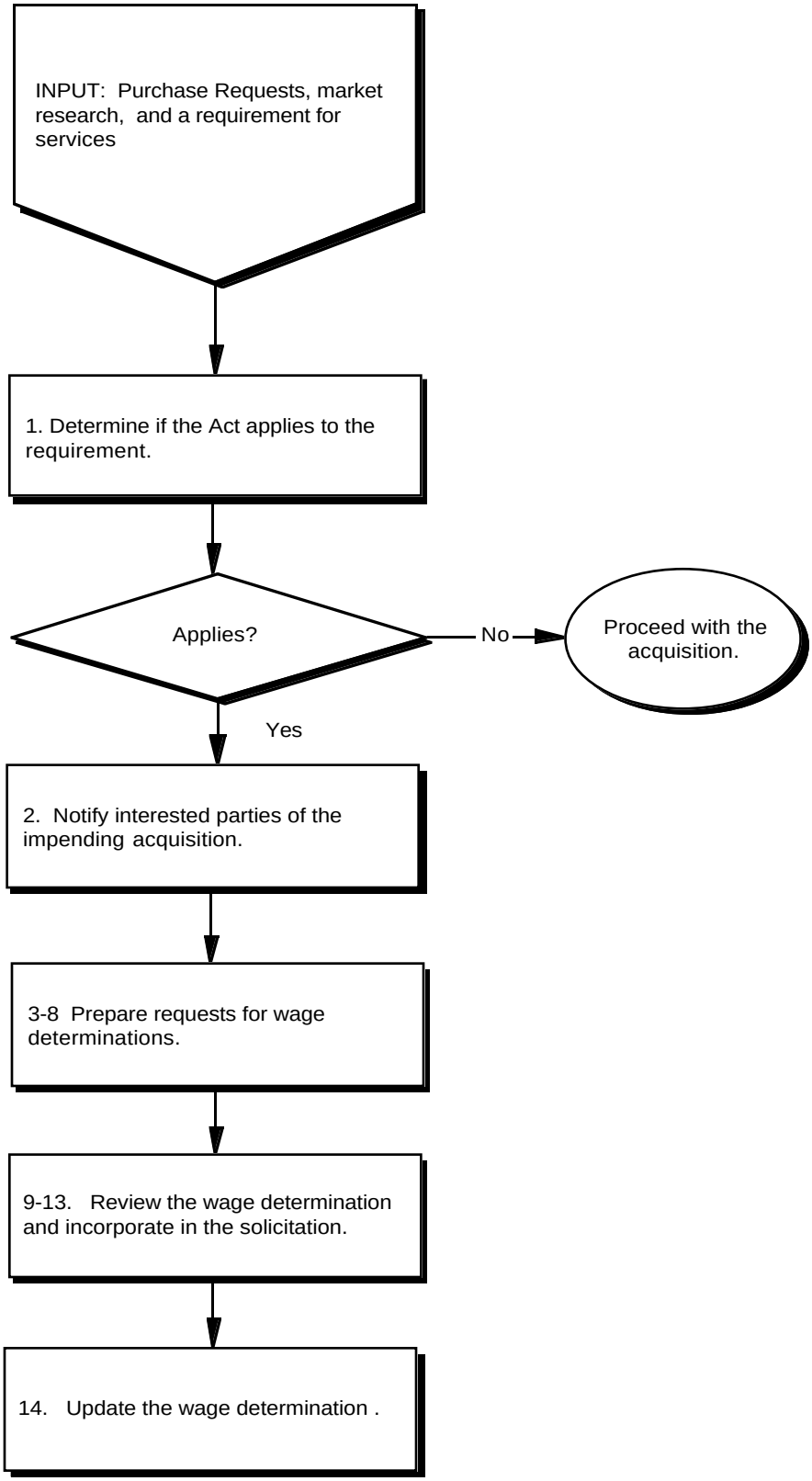
Part A: Authority To Purchase Services

Tasks	Related Standards
1. Distinguish requirements for services from requirements for supplies.	A1. Correctly determine if the purchase description requires the contractor to perform services (which may include obtaining supplies) or merely deliver products.
2. Determine whether the services are personal or nonpersonal. (Note: services furnished by temporary help firms are not required or treated as personal services.)	A2. Correctly use the definitions in FAR 37.101 and the guidelines in FAR 37.104 and FAR 37.112. Do not solicit for personal services without specific statutory authorization. All other service contracts should meet the regulatory test for nonpersonal services.
3. Determine whether to solicit for the skills of private sector temporaries.	A3. Do not solicit for temporary help services absent assurance from requiring activities that the services: • Are not being used in lieu of regular recruitment under civil service laws, or • To displace an employee. Acquisitions of temporary help comply with the authority, criteria, and conditions of 5 CFR Part 300, Subpart E, Use of Private Sector Temporaries, and agency procedures.
4. Identify requests to contract for "inherently Governmental" functions.	A4. Correctly distinguish inherently Governmental functions from other requirements.

Tasks	Related Standards
5. Determine whether to proceed with the acquisition of advisory or assistance services.	A5. Ensure that contracts for advisory and assistance services: • Reserve final determination for Government officials; • Require proper identification of contractor personnel who attend meetings, answer Government telephones, or work in situations where their actions could be construed as acts of Government officials unless, in the judgment of the agency, no harm can come from failing to identify themselves; and • Require suitable marking of all documents or reports produced by contractors. Do not contract: • To perform "inherently Governmental functions" (i.e., work of a policy, decision-making, or managerial nature which is the direct responsibility of agency officials). • To bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures. • On a preferential basis to former Government employees. • Under any circumstances specifically to aid in influencing or enacting legislation. • To obtain professional or technical advice which is readily available within the agency or another Federal agency. • To conduct evaluations or analyses of any aspect of a proposal submitted for an initial contract award. Exceptions: * The agency head determines in writing that "covered personnel" are not readily available either in the requesting agency or from another agency with adequate training and capabilities to perform the required proposal evaluation, OR * The contractor is a Federally-Funded Research and Development Center (FFRDC) and the work placed under the FFRDC's contract meets the criteria of 35.017-3.

Tasks	Related Standards
6. Determine whether to restrain the awardee from competing for follow-on contracts. Subtasks: • Identify acquisitions that would create an actual or potential conflict of interest on a future acquisition. • Determine whether the acquisition is exempt from the requirements of FAR subpart 9.5. • Prepare a written analysis of the potential conflict of interest. • Select and/or prepare the applicable solicitation provision and contract clause. • Forward the analysis and proposed provision and clause to the chief of the contracting office for review and approval. • If approved, incorporate the provision and/or clause in the solicitation. • Based on the information supplied by the offeror in response to the solicitation or during discussions, resolve the potential conflict. • Retain any certificates submitted as prescribed in the solicitation.	A6. Accurately apply the rules and examples in FAR 9.505 and 9.508 in identifying potential conflicts of interest. Correctly apply the criteria in 9.502 and 9.503 in determining whether the acquisition is exempt from the requirements of FAR 9.5. Comply with the requirements of 9.5 for preparing the analysis of a potential conflict and the related solicitation provision and clause.

Service Contract Act Wage Determinations



UNIT 8 SERVICES

Part B: Service Contract Act Wage Determinations

Tasks	Related Standards
1. Determine if the Service Contract Act is applicable. Criteria: • Exceeds $2,500. • The principal purpose of the contract is to furnish services. • To be performed, to a significant or substantial extent, by other than executive, administrative or professional employees. • To be performed primarily in the United States. • Not otherwise exempted.	B1. Correctly interpret the provisions of FAR 22.1004 and 29 CFR 4. Correctly identify excepted types of services, including: • Construction (covered by Davis-Bacon) • Work covered by Walsh-Healy • Carriage of freight or personnel by vessel, airplane, bus, truck, express, railway line, or oil or gas pipeline where published tariff rates are in effect. • Radio, telephone, telegraph, and cable service subject to the Communications Act of 1934. • Public utility services. • Employment contracts • Other types that are exempted by Labor
2. Notify interested parties under Collective Bargaining Agreements (CBA) of the impending acquisition.	B2. Provide notice only when and as specified by FAR 22.1010.
3. Identify skill classification(s): • From the Collective Bargaining Agreement (CBA), if any, or • From the Service Contract Act Directory of Occupations.	B3. Distinguish classifications subject to the CBA from those that are not, per FAR 22.1008-3(g).
4. Estimate the number of service employees in each skill class.	
5. Identify the wage rates that would be paid to the members of each class if employed by the Federal agency.	B5. Accurately establish such wage rates as prescribed in FAR 22.1016.

Tasks	Related Standards
6. Obtain a copy of the CBA between the incumbent (if any) contractor or subcontractor and its employees.	B6. Correctly apply the criteria in 22.1008-3(c) in determining whether to request a copy of the collective bargaining agreement, if any. Obtain the current applicable CBA. Invoke section m of the clause at 52.222-41 as the basis for obtaining a copy of the agreement.
7. Identify the places of performance. Alternatives: • Request wage determinations for all possible places or areas of performance. • Request wage determinations for probable places of performance and allowing offerors to request wage determinations for other places of performance.	B7. Include the clause at 52.222-49 when offerors are to be allowed to propose additional places of performance other than those for which a Wage Determination has been requested. Generally allow offerors 10-15 days from the IFB or RFP issuance date to submit requests for wage determinations.
8. Prepare requests for Wage Determinations (SF 98 and 98a) from the Department of Labor (DOL).	B8. The completed SF98 and 98(a) should conform to the requirements of FAR 22.1008. Submit the SF98 and 98a within the time limits established in FAR 22.1008-7.
9. Expedite and obtain DOL's response to the request. Potential responses from DOL: • A wage determination. • No wage determination in effect for the locality of contract performance. • Service Contract Act not applicable. • Return of Notice for additional information.	
10. Determine whether to appeal the wage determination to DOL. • The terms of the CBA vary substantially from those prevailing for similar services in the locality, and/or • The incumbent CBA was not the result of arm's length negotiations. • The wage determination contains significant errors or omissions.	B10. Consult the agency labor advisor under the conditions in FAR 22.1013. File an appeal within the time limits and as prescribed in FAR 22.1021. Consider requesting a “substantial variance” hearing.

Tasks	Related Standards
11. Incorporate DOL wage determinations (if any are provided by DOL) and other provisions and clauses prescribed by the Service Contract Act in the solicitation.	
12. If the DOL wage determination is late, determine whether and how to incorporate it in the solicitation or contract.	B12. Comply with the provisions of FAR 22.1012.
13. Reverify wage determinations with DOL if the IFB, RFP, bid opening date, or the commencement of negotiations is delayed for more than 60 days from the date in the Notice.	
14. Update wage determinations when the contract has provisions for adjusting the contract price to reflect changes in wage rates. Typical examples: • Contract modifications that change the scope of work whereby labor requirements are affected significantly. • Exercise of options or other such extensions of contract performance. • Multiple year contracts.	B14. Request updated wage determinations when the conditions in FAR 22.1007 apply. Prepare the SF98 and 98a as prescribed in FAR 22.1008. Submit the SF98 and 98a within the time limits established in FAR 22.1008-6.

Tasks	Related Standards

UNIT 9 SOURCES

February 1999

Part A: Required Sources and Existing Agreements/Contracts

Duty	Screen required sources.
Conditions	Given Purchase Requests and information on supplies and services available from required sources (e.g., GSA catalogs, bulletins, FPI Schedule of Items, lists of supplies available from the Committee for Purchase from People Who are Blind or Severely Disabled, GSA supply catalogs, Federal Supply Catalog, Subsistence Catalog, commercial catalogs, and procurement planning directories).
Overall Standard(s)	Correctly identify the required source (if any) for the procurement.

Part B: Interagency Acquisitions Under The Economy Act

Duty	Determine the need and identify procedures for ordering from other Federal departments and agencies.
Conditions	Given Purchase Requests and data on products or services available from other Federal agencies.
Overall Standard(s)	Comply with the Economy Act or other policies authorizing interagency acquisitions.

Part C: Source Lists

Duty	Develop source lists.
Conditions	Given Purchase Requests, acquisition histories, and data on the market.
Overall Standard(s)	Identify a sufficient numbers of offerors to obtain effective price and/or technical competition and capability to meet the Government's needs.

Part D: Qualified Bidders, Manufacturers, & Products Lists

Duty	Apply Qualified Bidders, Manufacturers, and Products Lists.
Conditions	Given Purchase Requests, acquisition histories, and data on the market.
Overall Standard(s)	Correctly verify that a QBL, QML, or QPL applies to the requirement. Correctly ascertain, through market research, whether unlisted firms or products may be able to meet the minimum functional need.

UNIT 9 SOURCES

February 1999

Certification for Part E: Special Standards of Responsibility	
Duty	Determine and establish any necessary "special standards of responsibility."
Conditions	Given Purchase Requests.
Overall Standard(s)	As written by the requiring activity after review by the Contract Specialist, special standards of responsibility are necessary, reliable, and valid.

UNIT 9 SOURCES

Policies

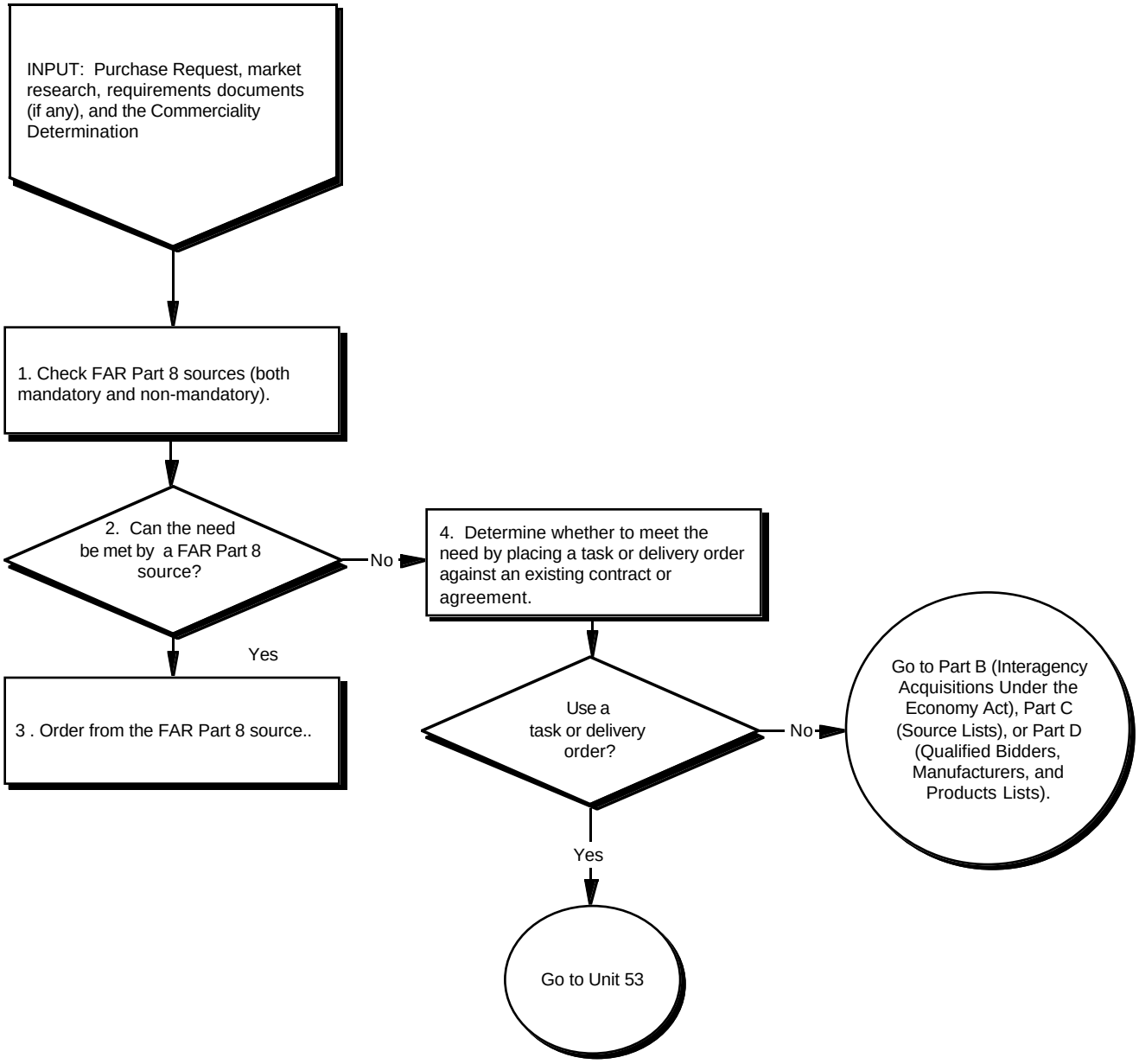
FAR	*Agency Suppl.*	*Subject*
8.000 – 8.003		Priorities for use of Government supply sources; use of other Government supply sources.
8.1		Excess Personal Property
8.5		Acquisition of Helium
8.601-8.603		Determining whether to order from Federal Prison Industries (FPI), Inc.
8.700 – 8.704		Determining whether to order from JWOD participating nonprofit agencies.
8.706		Purchase Exceptions (from use of JWOD participating nonprofit agencies)
8.713		Optional acquisition of supplies and services from JWOD participating nonprofit agencies.
8.715		Replacement commodities.
8.8		Acquisition of Government printing and related supplies.
8.9		Mandatory Governmentwide Financial Management Systems Software (FMSS) program
9.104-2		Special standards of responsibility.
9.2		Qualification requirements.
13.003(a)		Ordering from required sources under SAT.
13.102 14.204 14.205		Source lists.
17.5		Interagency acquisitions under the Economy Act.
19.202-2(a)		Including small businesses on mailing lists.
38.101		Federal Supply Schedules.
52.209-1		Qualification requirements.
52.214-9		Failure to submit offer a basis for removal from source list.

Other KSA's

1. Knowledge of required source catalogs and how to obtain them.
2. Knowledge of the order of priority for acquiring supplies and services from required sources.
3. Knowledge of sources of information on suppliers.
4. Knowledge of techniques for identifying suppliers, the pros and cons of each technique, and when each is most appropriate.
5. Skill at market analysis; knowledge of market segments and product differentiation, product life cycles and market evolution, market channels/middlemen, and industrial markets (from Marketing).

Other Policies and References (Annotate As Necessary):

Required Sources



UNIT 9 SOURCES

Part A. Required Sources

Tasks	Related Standards
1. Check required sources of supply to determine availability. • Agency Inventory. • Excess Personal Property. • Federal Prison Industries, Inc., for supplies. • Products available from the Committee for Purchase from People Who are Blind or Severely Disabled. • Stock Programs: - GSA. - DLA. - VA. - Military Inventory Control. • Mandatory Federal Supply Schedules. • Mandatory agency indefinite delivery contracts. • Specified sources for public utility services, printing and related supplies, automatic data processing and telecommunication acquisitions, leased motor vehicles, excess strategic and critical materials, and helium. • Optional Use Federal Supply Schedules and GSA Term Contracts.	A1. Select the correct required source (if any) for the supply or service. Do not solicit quotes, offers, or otherwise test the market solely to seek alternative sources to Federal supply schedules.
1.1 Check required sources of services to determine availability. • Procurement lists of services available from the Committee for Purchase from People Who are Blind or Severely Disabled. • Mandatory Federal Supply Schedules. • Optional Use Federal Supply Schedules and GSA Term Contracts. • Federal Prison Industries, Inc., or commercial sources (including educational and nonprofit institutions.	

UNIT 9 SOURCES

Part A. Required Sources

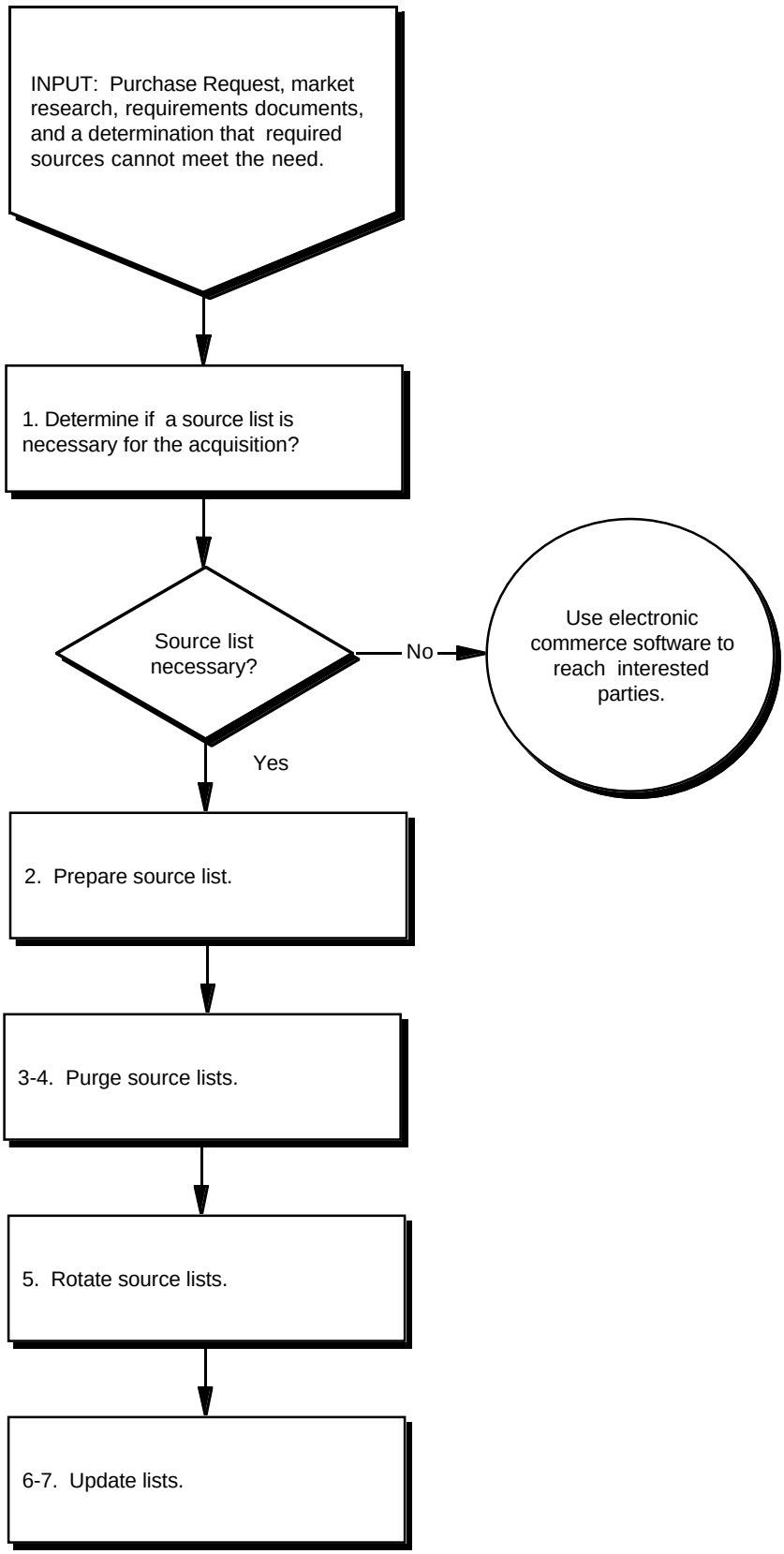
Tasks	Related Standards
2. Determine whether the required source can meet the need. If a required source cannot meet the need: • Prepare justification for non-use. • Obtain any necessary clearance or waiver from source (e.g., Federal Prison Industries or GSA when supplies available from the schedule will not meet the specific need but similar items from other sources can meet the need).	A2. Correctly identify any condition which would preclude use of a required source. • For FPI: Public exigency requires immediate delivery or performance; purchases are made from GSA of less-than-carload lots of common-use items stocked by GSA; the products are acquired and used outside the USA; or orders are for listed items totaling $25 or less that require delivery within 10 days. • For acquisition from the blind and other severely handicapped: Only commercial sources can provide the supplies or services within the time required or the quantity required cannot be produced or provided economically by the workshops • For FSS: urgency, requirements above or below the minimum/maximum order thresholds in the schedule, consignees are located outside the geographic area of coverage, absence of a follow-on award, or another source sells the identical item (i.e., the same make or model) at a lower price.
3. Select and order from a required source. Subtasks: • Advise requiring activity of availability of the required source and obtain any supporting documentation needed. • Place order with the required source or insert the required provision and clause in solicitations to require use of the source by contractors.	A3. Select the highest priority required source that can meet the need. Correctly follow procedures for ordering from that source. Refer to evidence that an FPI price exceeds the market price to the proper authority (i.e., the cognizant product division identified in the Schedule or to the FPI Washington Office).
4. Determine whether the need can be met by placing a BPA call, task order, or delivery order against an existing agreement or indefinite delivery contract.	

UNIT 9 SOURCES

Part B. Interagency Acquisitions Under The Economy Act

Tasks	Related Standards
1. Recommend ordering from another agency.	B1. Suggest ordering from another agency when: • The other agency is the sole source of the goods or services, or • You cannot obtain the supplies or services as conveniently or economically by contracting directly with a private source. Do not use the Economy Act to circumvent conditions and limitations imposed on the use of funds. Remind requiring activities that Economy Act actions are subject to Subpart 7.3, Contractor Versus Government Performance.
2. Place an order against another agency.	B2. Order only after first obtaining the required Determination(s) and Finding(s).

Source Lists



UNIT 9 SOURCES

Part C: Source Lists

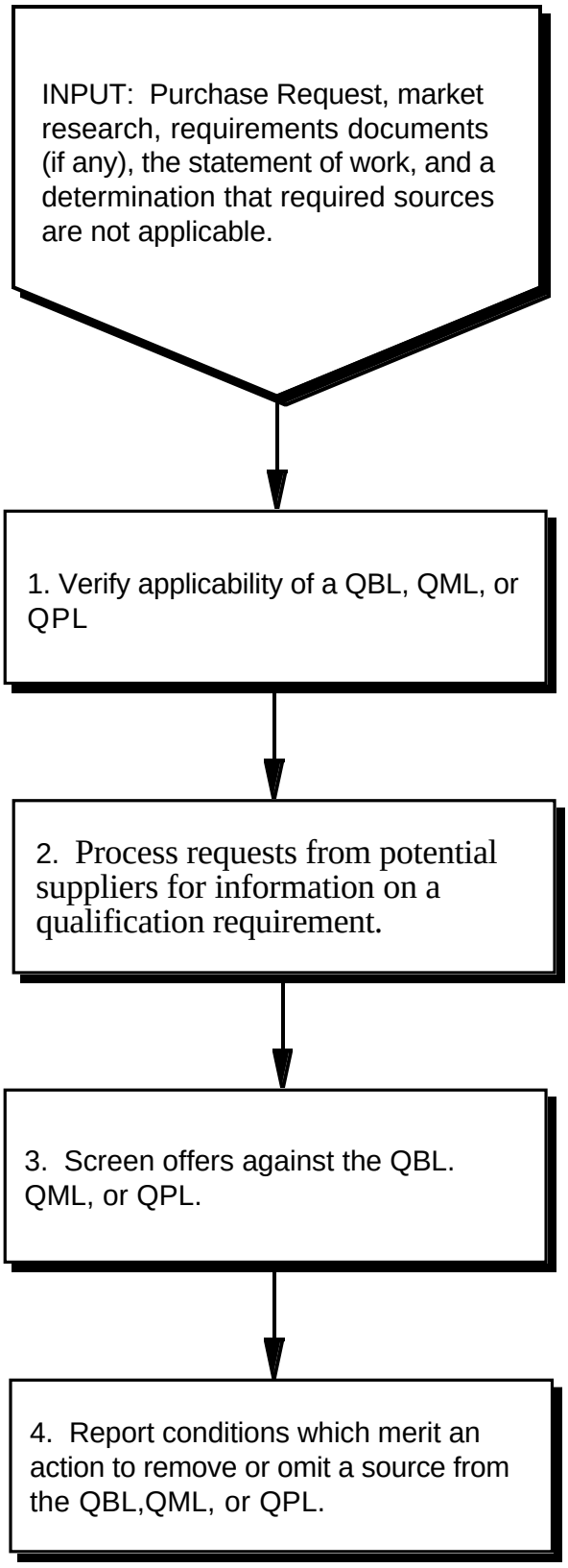
Tasks	Related Standards
1. Determine if a source list is necessary for the acquisition.	C1. Paper or electronic solicitation mailing lists are not necessary if your electronic commerce software automatically transmits solicitations to all interested sources participating in electronic contracting with the contracting activity.
2. Prepare source list using all known identified sources. • SBA's Procurement Marketing and Access Network (PRO-Net). • Solicitation Mailing List Applications. • Sources provided with Purchase Request. • Existing mailing lists (centralized and hand lists). • Prior procurements for similar supplies/services. • Directories and other publications. • SBA source list. • Subcontractors identified by prior prime contractors. • QPL lists. • Trade associations. • Supply schedules. • Responses to synopses (see Unit 24). • Advertisements. • Orders for source lists by Standard Industrial Code from D&B.	C2. Include all eligible and qualified concerns that have submitted mailing list applications or that are considered capable of filling the requirements of a particular acquisition. Also include prospective offerors who requested the solicitation but were not on the original mailing list. Notify prospective applicants that they have been placed on the mailing list(s) or that they do not meet the criteria for placement.
3. Purge prior sources which have not responded to the last two solicitations (either by submitting an offer or submitting proper notice of interest in being retained on the mailing list). • If the result would be a limited mailing list, request an explanation from one or more non-responding firms. • Reinstate firms that submit an offer, properly request reinstatement, or file a new Solicitation Mailing List Application.	C3. Only purge a prior source if there is likely to be sufficient competition from other sources.

UNIT 9 SOURCES

Part C: Source Lists

Tasks	Related Standards
4. Purge source list of excluded contractors.	
5. Rotate sources for continuing use items when the list is excessively long.	C5. Notwithstanding the rotation, solicit the previously successful offeror and prospective suppliers added to the mailing list since the last solicitation.
6. Canvass suppliers on lists to update skills and availability (e.g., through presolicitation notices).	C6. The advisory multistep process may be used to obtain capability statements (and other information) from potential offerors and to provide them feedback.
7. Include sources as a result of synopsis and pre-bid/proposal conferences.	

Qualified Bidders, Manufacturers, and Products Lists



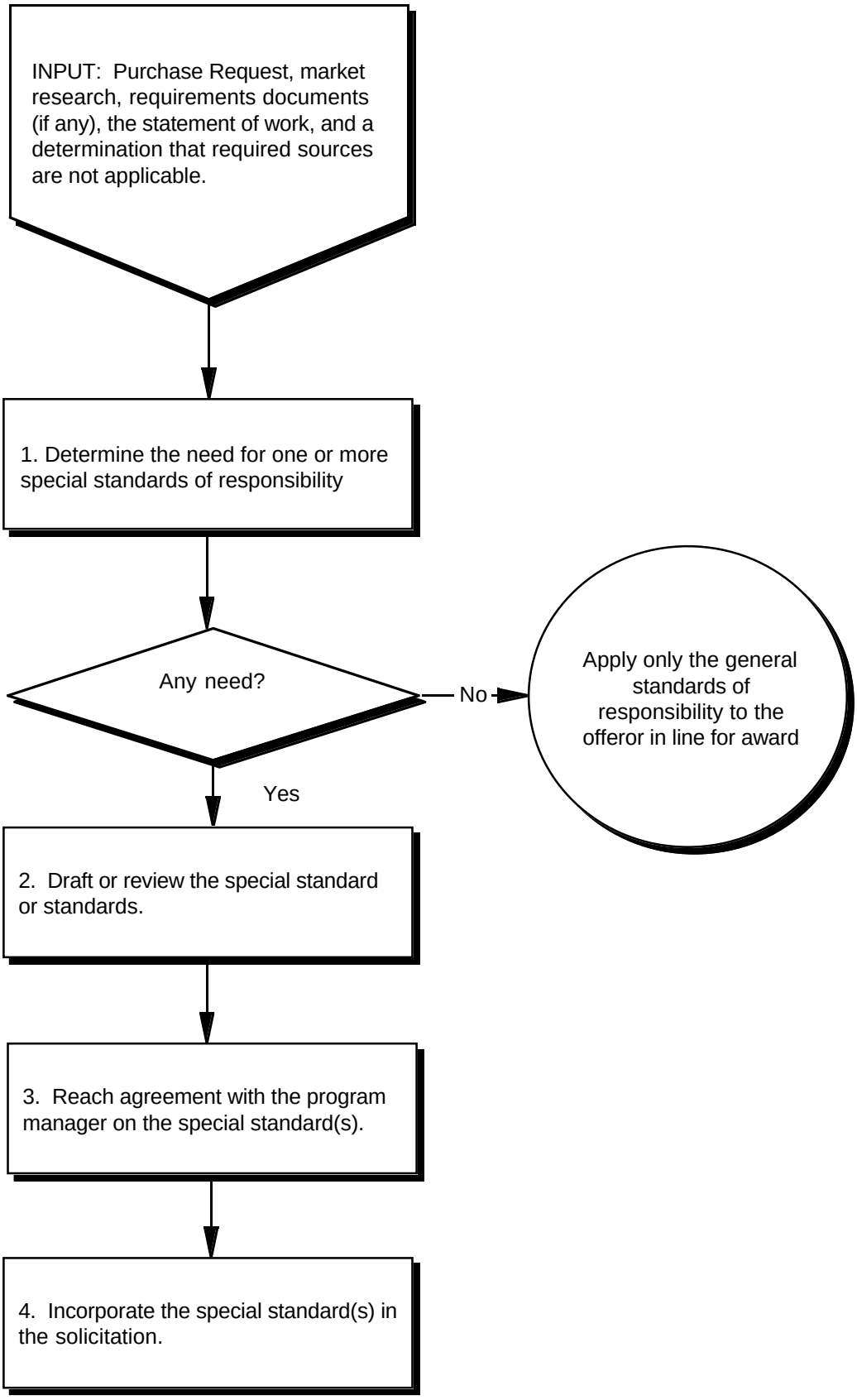
UNIT 9 SOURCES

Part D: Qualified Bidders, Manufacturers, and Products Lists

Tasks	Related Standards
1. Verify that a QBL, QML, or QPL applies to the procurement. • Recommend that a qualification requirement not be enforced • Determine whether to issue a presolicitation notice to advise potential suppliers of the qualification requirement. • Distribute solicitations to prospective contractors whether or not they are on the QBL, QML, or QPL.	D1. Recommend that the requirement not be enforced when market research confirms that an acceptable (in terms of meeting the actual minimum functional need) product or service can be provided by many sources not on the lists. Issue a presolicitation notice when time permits and market research suggests that a number of suppliers might use the early warning to become qualified. Obtain the necessary approvals to waive enforcement.
2. Process supplier requests for information on a qualification requirement.	D2. When an unlisted firm expresses interest in an acquisition, forward its name and address to the responsible Federal activity — whether or not the firm's representatives request an actual copy of the solicitation.
3. Screen offers against the QBL, QML, or QPL • Consider timely offers from offerors which demonstrate that they or their products meet the standards established for qualification (or can meet them before the award date). • Otherwise, reject offers from offerors not on the QBL, QML, or QPL.	D3. Do not delay award to permit an offeror to submit evidence of qualification.
4. Report any conditions which may merit removal or omission of a source from a QBL, QML, or QPL.	D4. Report any condition specified in FAR 9.207.

UNIT 9 SOURCES

Part E. Special Standards of Responsibility



UNIT 9 SOURCES

Part E. Special Standards of Responsibility

Tasks	Related Standards
1. Determine the need, if any, for "special standards of responsibility."	E1. Identify special qualifications or other contractor attributes, over and above those specified in the General Standards of Responsibility, necessary for satisfactory performance.
2. Draft or review special standards. [1]	E2. The rationale for each standard should be complete and sufficient to support its necessity, reliability, and validity. Advise requiring activities on changes necessary to improve the reliability and validity of proposed special standards. Accurately recognize and diagnose such problems as: • Vagueness or ambiguity. • No clear line of demarcation between "responsible" and "nonresponsible" firms. • Inconsistency with the statement of work, evaluation factors (see Unit 15), and draft proposal submission instructions. • Appearance of being arbitrary and capricious; insufficient substantiation in supporting documents and rationale..
3. Critique draft special standards of responsibility.	

[1]For guidelines on differentiating "special standards of responsibility" from evaluation factors, see 52 Comp. Gen. 47 and also the following unpublished decisions of the Comptroller General: B-224392.2, Matter of B & W Service Industries, Inc; B-231607, Matter of Sanford and Sons Company; B-236255, Matter of Eagle Technology, Inc.; B-237364, Matter of York Systems Corporation; B-237325, Matter of Environmental Technologies Group, Inc.; and B-237865.2, Matter of: Commercial Building Service, Inc.

UNIT 9 SOURCES

Part E. Special Standards of Responsibility

Tasks	Related Standards
4. Incorporate special standards of responsibility in the solicitation.	E4. Ensure that proposal submission instructions will solicit all information from offerors necessary to apply the special standards of responsibility.

UNIT 10 COMPETITION REQUIREMENTS

February 1999

Duty	Determine whether to restrict competition and/or exclude sources.
Conditions	Given Purchase Requests and market data
Overall Standard(s)	Data from the requiring activity and/or market research are sufficient to justify restrictions. Correctly identify the proper authority (if any) for restricting competition for any given contract action. Correctly identify approval requirements in accordance with FAR/agency procedures. Upon approval of the justification, obtain competition from as many responsible offerors as possible under the circumstances.

UNIT 10 COMPETITION REQUIREMENTS

February 1999

Why this Unit is Important When Contracting Under the Simplified Acquisition Threshold

Simplified acquisitions are subject to "maximum practicable competition" rather than full and open" competition and therefore are exempt from FAR Part 6. However, on occasion, there may be a good reason for restricting competition for simplified acquisitions — namely, one of the reasons in FAR Part 6 for restricting competition over the Simplified Acquisition Threshold (SAT). While contracting officers need not prepare the J&As or D&Fs prescribed in that FAR Part, FAR Part 6 provides valuable advice on potential reasons for restricting competition particularly when acquiring supplies or services through the Governmentwide Point of Entry (GPE) or over $25,000.

Why is this important? FASA requires contracting officers to consider all quotes/offers timely received for a simplified acquisition (see FAR 13.003(i)(3)). Since electronic can reach hundreds or thousands of vendors nationwide and since many actions over $25,000 must be published in the Commerce Business Daily, such publicity can result in hundreds or thousands of quotes for a single contract award. However, there is no point in stimulating the production of large volumes of quotes when "the circumstances of the contract action deem only one source reasonably available" — FAR 13.106-1(b) (e.g., because of urgency, exclusive licensing agreements, or industrial mobilization, or a law that specifies a single source). Hence, there is merit in teaching the FAR Part 6 reasons for restricting competition regardless of the dollar amount of the contract action (excluding micropurchases).

In this regard, note the following language in FAR §5.207:

"5.207 Preparation and transmittal of synopses.
* * * * *
"(c) * * *
"(2) * * *
"(xiv) In the case of noncompetitive contract actions (including those that do not exceed the simplified acquisition threshold), identify the intended source (see 5.207(e)(3)) and insert a statement of the reason justifying the lack of competition."
* * * * *
"(e) * * *
"(3) Except for contract actions equal to or less than the simplified acquisition threshold or acquisitions of commercial items, the synopsis shall refer to Numbered Note 22 for noncompetitive contract actions. * * *"

UNIT 10 COMPETITION REQUIREMENTS

Policies

FAR	*Agency Suppl.*	*Subject*
5.207(c)(2)(xiv)		Synopizing the intended source of a sole source procurement.
6.2		Exclusion of sources.
6.3		Other than full and open competition.
6.301(c)		Other than full and open competition cannot be justified on the basis of a lack of acquisition planning or concerns about funding.
6.5		Competition Advocates.
13.202		Competition requirements for micropurchases.
13.104, 13.106-1, 13.106-3, & 13.5		Competition requirements for actions under FAR Part 13 above the Micropurchase threshold (including documentation requirements).

Other KSA's

1. Knowledge of laws on patents, copyrights, and trade secrets (from Business Law).

2. Skill at market analysis; knowledge of business goals and strategies, market environments, market segments and product differentiation, product life cycles and market evolution, market channels/middlemen, and industrial markets (from Marketing).

3. Knowledge of the characteristics of competitive markets (e.g., strategies and tactics of competing entities, barriers and incentives to entering a market, predatory and exclusionary tactics, unfair and unethical competition, restraint of trade, and monopolization)—from Marketing.

4. Knowledge of the requirement to consider all quotations or offers timely received from responsible vendors in response to posting, Commerce Business Daily notices, or GPE RFQs.

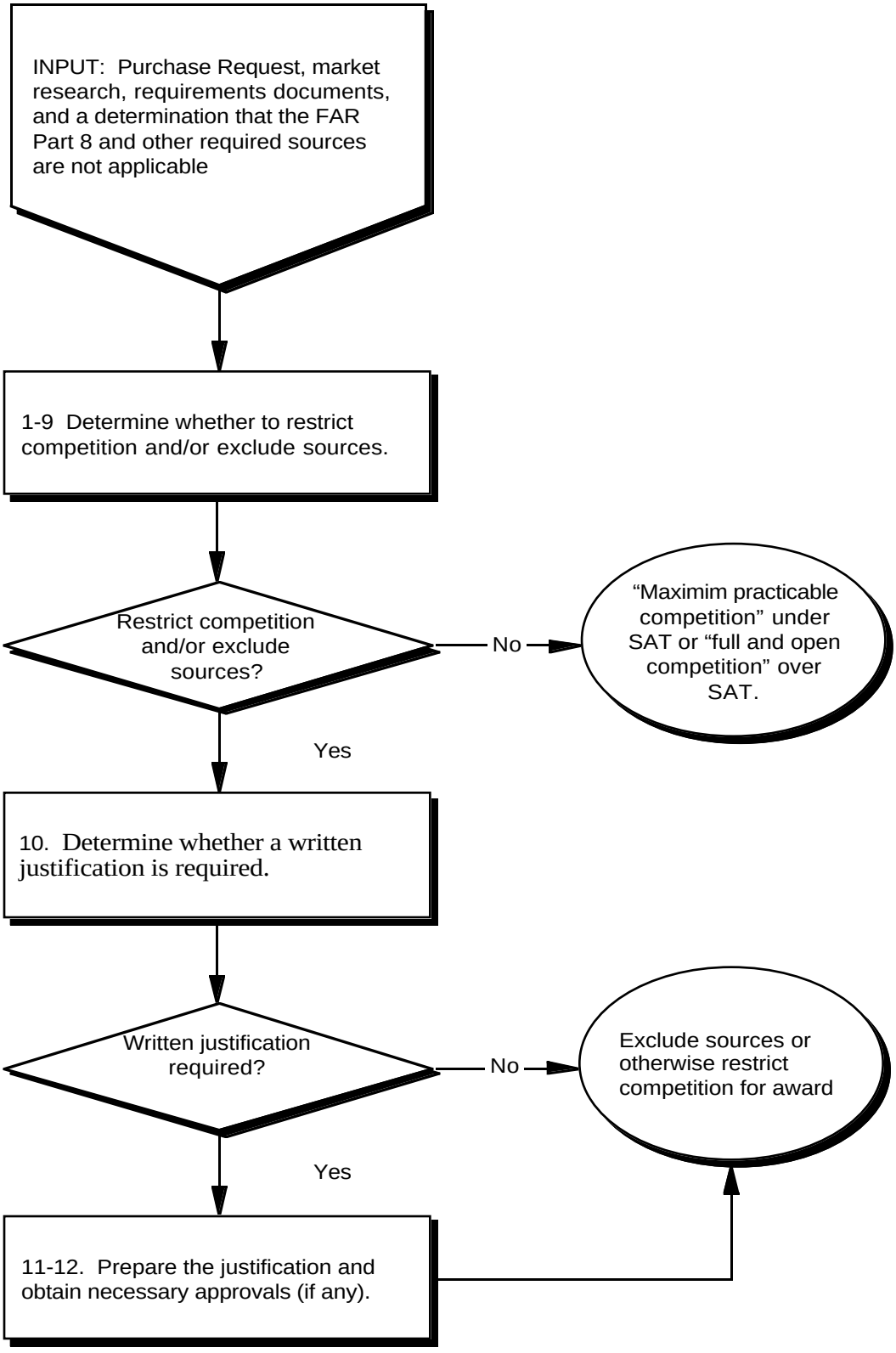
5. Knowledge of competition requirements for micropurchases.

Ordinarily, one quote still suffices for acquisitions at or below $2,500. Also, to the extent practicable, you are still required to distribute micro-purchases “equitably” among qualified suppliers, §13.202(a)).

Other Policies and References (Annotate As Necessary):

UNIT 10 COMPETITION REQUIREMENTS

(above the micropurchase threshold)



UNIT 10 COMPETITION REQUIREMENTS

Subtasks	Related Standards
1. Determine if a single source is authorized or required by statute. • For actions under FAR Part 13, this may justify soliciting only from that source (see FAR 13.106-1(b)). • If not a FAR Part 13 acquisition, the determination must comply with FAR 6.302-5.	1. Correctly verify statutory direction to restrict competition.
2. Identify any international agreement that restricts competition to a specified source or sources. For actions under FAR Part 13, this may justify soliciting only from that source (see FAR 13.106-1(b).	2. Correctly interpret the agreement. If over SAT, the determination must comply with FAR 6.302-4.
3. Determine if requirements documents inherently restrict competition to a single source. Examples: • Under standardization program, only specified makes and models meet the need. • Limited rights in data, patent rights, copyrights, or other secret processes are necessary to the need. For actions under FAR Part 13, this may justify soliciting only from that source (see FAR 13.106-1(b).	3. Correctly identify restrictive elements in requirements documents. Data from the requiring activity must be sufficient to justify the restrictive elements. Verify that restrictions are necessary (per Units 6 & 7). For actions over SAT, the determination must comply with FAR 6.302-1.
4. Determine whether the minimum need can be satisfied by supplies or services available only from a single source or a limited number of sources. For actions under FAR Part 13, this may justify soliciting only from that source (see FAR 13.106-1(b).	4. The determination must be fully supported by market research (may include a sources sought synopsis) per Unit 5. If over SAT, the written determination must comply with FAR 6.302-1.

UNIT 10 COMPETITION REQUIREMENTS

Subtasks	Related Standards
5. Determine if sufficient time is available for unrestricted competition. • Select methods for identifying and soliciting sources that can be accomplished within the prescribed deadlines. • Under SAT, "urgency" may justify oral, written, or electronic solicitation from a single source or a few sources in the local area in lieu of "maximum practicable competition" through the Governmentwide Point of Entry (GPE) or the Commerce Business Daily. • Over SAT, the Justification and Approval (J&A) can be prepared after award (See also FAR 5.202(a)(2) for similar language regarding publicizing the requirement.)	5. Data from the requiring activity must fully support the short lead-time. Do not cite this justification if "urgency" results solely from lack of advance planning by the requiring activity and/or pending expiration of funds. Do not permit this authority to be construed as automatically allowing a single source procurement. If over SAT, the determination must comply with FAR 6.302-2.
6. Determine if a single source award is necessary for reasons specified in FAR 6.302-3. Single source awards may be necessary: • For purposes of an industrial mobilization program. • To establish or maintain an essential engineering, developmental, or research capability. • To acquire the services of an expert or neutral person for any current or anticipated litigation or dispute (see also FAR 5.202(a)(15)). For actions under FAR Part 13, this may justify soliciting only from that source (see FAR 13.106-1(b).	6. Data from the requiring activity must fully support this recommendation. Verify data supplied by requiring activity through market research (per Unit 5). If over SAT, the determination must comply with FAR 6.302-3.

UNIT 10 COMPETITION REQUIREMENTS

Subtasks	Related Standards
7. Determine whether disclosure of agency needs through the Commerce Business Daily or through a comparable , electronic broadcasting system (e.g., GPE) would compromise national security. (See also FAR 5.202(a)(1) for similar language regarding publicizing the requirement.) For actions under FAR Part 13, this may justify soliciting on the basis of "maximum practicable competition" (e.g., by soliciting quotes or offers from 3 local sources) rather than through FACNET or the Commerce Business Daily.	7. Data from the requiring activity must fully support this determination. Do not permit this authority to be used merely because the acquisition is classified or because access to classified material will be necessary. If over SAT, the determination must comply with FAR 6.302-6. Do not permit this authority to be construed as automatically allowing a sole source procurement. Select methods for identifying sources and soliciting offers from them under conditions that will protect the national security.
8. Determine whether the public interest otherwise would be served by restricting competition. • Obtain evidence from the requiring activity to fully support this determination. • Select methods for identifying sources (see Units 6 and 10) and soliciting offers from them under conditions that are consistent with the public interest. • If over SAT, prepare determination and findings (D&F) for approval by the agency head (citing exception 6.302-7 in the D&F). • If over SAT, prepare written notice for submission to the Congress.	8. Data from the requiring activity must fully support this determination. If over SAT, ensure that Congress is notified not less than 30 days before award.
9. Determine whether to exclude sources. Examples: • A partial or total set-aside (from Unit 11), • Restriction of competition to eligible 8(a) contractors (per Unit 12), or • A recommendation for full & open competition but only after the exclusion of specified sources (other than set asides).	9. Do not approve a recommendation to exclude sources unless data from the requiring activity fully support such exclusion. If over SAT, any exclusion must comply with FAR 6.2.

UNIT 10 COMPETITION REQUIREMENTS

Subtasks	Related Standards
10. Determine whether a written justification is required. • None for set asides. • None for certain mandatory sources. • None if a class J&A already exists which covers the contract action.	10. If only one source is solicited for a contract under SAT, correctly determine whether a note for the file is required. (Not necessary when acquiring utility services available from only one source. Not required when acquiring educational services from a nonprofit institution.) If over SAT, accurately determine whether a J&A or D&F is required.
11. Prepare justification for restricting competition. Subtasks for requirements over SAT: • Obtain certification from the requiring activity that supporting data are complete and accurate. • Obtain certification from the Contracting Officer that the justification is complete and accurate. • Develop a strategy, if possible, to "remove or overcome any barriers to competition" in any further procurements of the same supplies or services (see Units 1 and 2).	11. Where required for a single source award under SAT, write a note for the file which explains the absence of competition. The note must be consistent with available facts and include sufficient details to convince reviewers from the Inspector General or GAO that the decision was reasonable and rationale under the circumstances. If over the SAT, prepare per §6.303-2 of the FAR . Format and approvals should be in compliance with agency policy. The requiring activity's certification is limited to data for which it is responsible and which forms the basis of the J&A. Document all attempts to seek maximum competition in (a) preparing the acquisition plan (see Unit 2), (b) reviewing the proposed requirement (Units 6 and 7), (c) reviewing any technical evaluation factors and preparing source selection plans (Unit 15), and (d) surveying the market (Unit 5). Conclusions should be validly derived and fully supported by cited evidence.

UNIT 10 COMPETITION REQUIREMENTS

Subtasks	Related Standards
12. Obtain clearances/approvals from Competition Advocate and/or other responsible officials. • Make any necessary corrections to satisfy the Advocate, or • Appeal decision, or • Proceed under full and open competition.	12. For actions over SAT , do NOT begin negotiation of a sole source contract or award such a contract until the CO has: • Justified other than full and open competition (where such justification is required) • Certified that the justification is complete and accurate, and • Obtained the necessary approvals. However, when urgency (FAR 6.302-2) is the basis for the justification, it may be prepared and approved within a reasonable time after award when preparation and approval prior to award would unreasonably delay the acquisition. CO's may approve the justification if under $500,000.

UNIT 10 COMPETITION REQUIREMENTS

Subtasks	Related Standards

UNIT 10B UNSOLICITED PROPOSALS

September 1998

Duty	Determine whether to award a single source contract to the firm that submitted an unsolicited proposal.
Conditions	Given unsolicited proposals and market data
Overall Standard(s)	Correctly obtain and verify determinations from requiring activities on whether the proposal meets the agency's tests for being considered a valid "unsolicited" proposal and whether it meets an agency need. Correctly identify the conditions that preclude competition for valid unsolicited proposals and/or outline alternatives for obtaining competition in the future. Correctly identify when needs addressed in an invalid "unsolicited" proposal can be competed.

UNIT 10B UNSOLICITED PROPOSALS

Policies

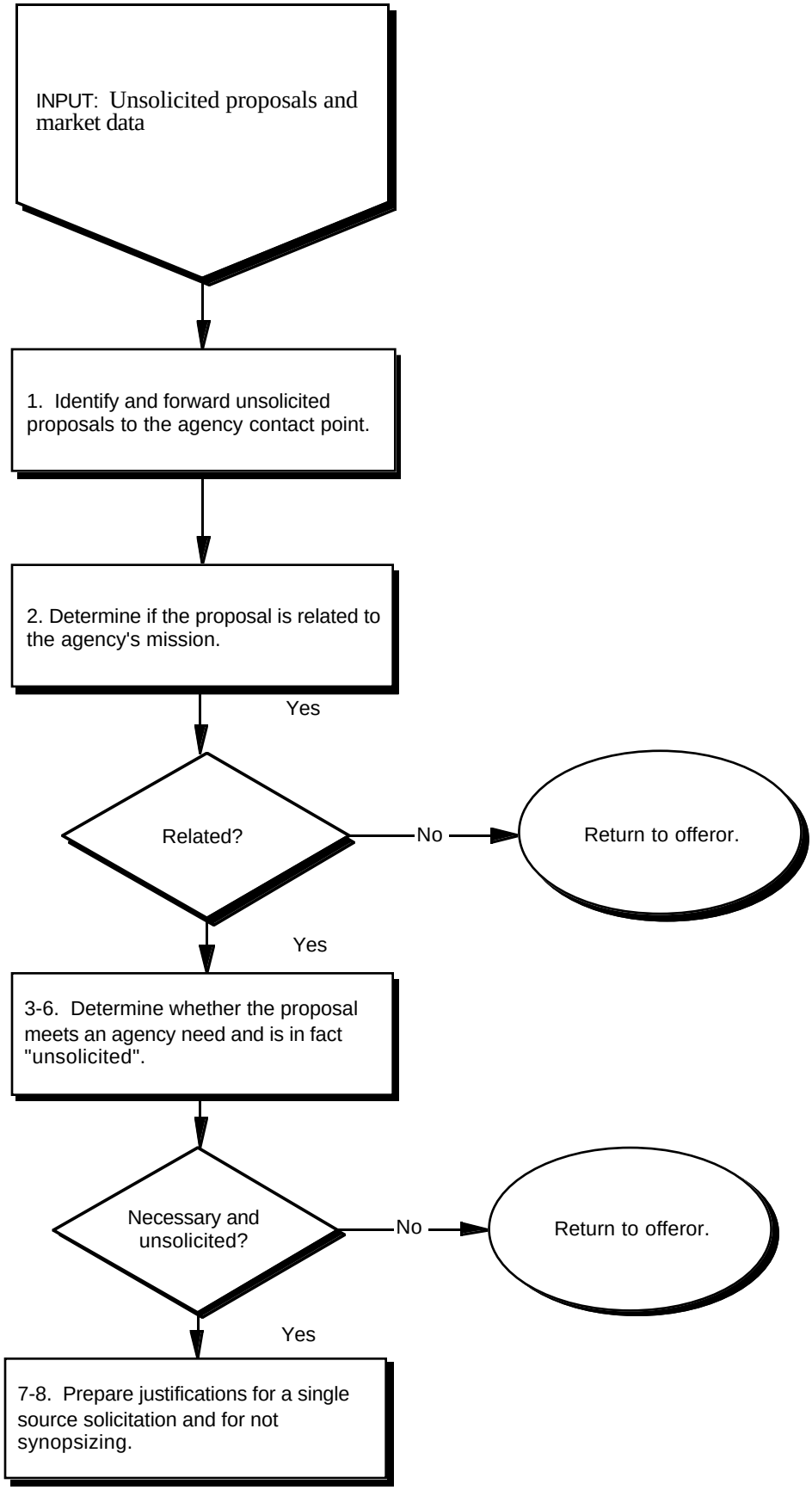
FAR	*Agency Suppl.*	*Subject*
6.302-1(a)(2)(i)		Unsolicited proposals as a basis for other than full and open competition.
15.**6**		Unsolicited proposals.
35.007(i)		Responding to concerns that have a new idea or product that incorporates the results of independent R&D work.

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

UNIT 10B UNSOLICITED PROPOSALS



UNIT 10B UNSOLICITED PROPOSALS

Subtasks	Related Standards
1. Identify and forward unsolicited proposals to the agency point of contact.	1. Only forward proposals that have been approved by a responsible official or other representative authorized to contractually obligate the offer.
2. Acting as the agency point of contact, determine if the unsolicited proposal is related to the agency mission. If not, return it to the offeror, stating: • How the agency interprets the proposal. • Why it is not being evaluated. • The names of other Federal program offices or agencies that might need the requirement.	
3. Request any additional data from the offeror necessary to support a comprehensive evaluation of the unsolicited proposal, e.g., • Additional technical and cost information. • Marking requirements of FAR part 15.609.	

UNIT 10B UNSOLICITED PROPOSALS

Subtasks	Related Standards
4. Forward to requiring activity and/or other evaluators. Ask the reviewers to determine whether: • The proposed service or commodity is innovative and unique and has been independently originated and developed. • Determine whether the unsolicited proposal should more properly be submitted in response to an existing or upcoming agency requirement (15.602). • The proposed work could benefit the agency's mission and would be worthwhile, considering such factors as: - Overall scientific, technical, or socioeconomic merits of the proposal. - Potential contribution of the effort to the agency's specific mission. - The offerors' capabilities, related experience, facilities, techniques, or unique combinations of these which are integral to achieving the proposal's objectives. - The qualifications, capabilities, and experience of the proposed principal investigator, team leader, or key personnel. • The Government exercised any supervision over the development of the unsolicited proposal. • The proposal is tantamount to an advance proposal for a known agency requirement that can be acquired by competitive methods. • The proposed product or service is available to the Government without restriction from another source • The proposal closely resembles a pending competitive acquisition requirement: - Matches a purchase request in hand, or - Requiring activity provides evidence of a pending acquisition.	4. Do not submit unsolicited proposals for review by persons outside the Government if: • No permission has been received from the offeror for such release, or • The outside persons fail to certify that they will not disclose data in the proposal. Also obtain certificate of non-disclosure from Government personnel.
5. Review information from market research (per Unit 5) to verify independently that the proposed service or commodity is innovative and unique and has been independently originated and developed.	5. Do not disclose restrictively marked information from the unsolicited proposal in researching the commercial availability of the product or service.

UNIT 10B UNSOLICITED PROPOSALS

Subtasks	Related Standards
6. Solicit offers to meet an agency need anticipated by an "invalid" unsolicited proposal. Subtasks: • Return the proposal with an explanation of reasons why the Government cannot award without competition. • Instruct requiring activity to prepare a specification that describes the Government's minimum needs using only data, concepts or ideas available to the Government from other sources without restriction. • Proceed with procurement process.	6. Do not disclose restrictively marked information from the unsolicited proposal or any data, concepts, or ideas that are unique to the unsolicited proposal (unless permission is received from the offeror).
7. For "valid" proposals, prepare justification for other than full & open competition (per Unit 10).	
8. For "valid" proposals, determine whether to synopsize the unsolicited proposal (per Unit 24).	8. Do not synopsize when the conditions in 5.202(a)(8) are satisfied.

11 SET ASIDES

February 1999

Duty	Determine whether competition will be limited exclusively to small business concerns.
Conditions	Given Purchase Requests, acquisition histories, and market data.
Overall Standard(s)	Competition is limited to small business concerns only when you reasonably expect (a) eligible offers or quotes from at least two responsible small business concerns and (b) award at fair market prices.

11 SET ASIDES

Policies

FAR	*Agency Suppl.*	*Subject*
13.102		Purpose of SAP in part to improve opportunities for small business and small disadvantaged business concerns to obtain a fair proportion of Government contracts.
13.003(b)(1)		Reservation of requirements exceeding the micropurchase threshold but within SAT exclusively for small business concerns.
19.001		Definitions (e.g., of “concern”, “fair market price”, “nonmanufacturer rule”, etc.)
19.1		Size standards.
19.201		General policy on small and small disadvantaged business concerns.
19.202-1(e)		Notifying SBA when small business are not likely to be able to compete for a new requirement for supplies or services currently being provided by a small business.
19.202-5		Reporting participation by small businesses in acquisitions.
19.202-6		Fair market price determinations.
19.303		Product or service classifications (i.e., SIC codes).
19.304		Solicitation provisions.
19.4		Cooperation with the Small Business Administration.
19.5		Set-asides for small businesses.
19.10		Small business competitiveness demonstration program.
19.13		Historically Underutilized Business Zone Program.
52.219-3		Notice of Total HUBZone set aside.
52.219-6 – 9, 11-12 52.219-14		Related provisions and clauses.

Other KSA's

1. Skill at market analysis; knowledge of techniques for evaluating industry size and capabilities, market segments and product differentiation, market prices, market channels/middlemen, and industrial markets (from Marketing).

2. Ability to forecast impact of a potential set aside on price, the solicitation process, delivery schedules, and the ability to meet the Government's minimum need.

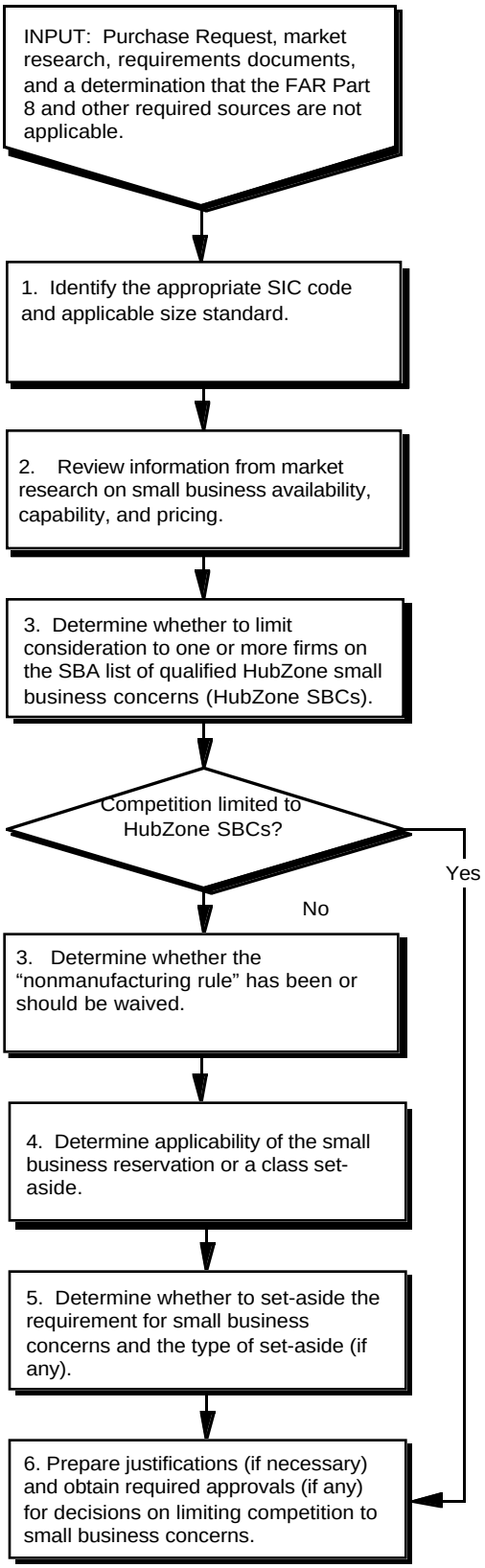
3. Knowledge of information sources on small businesses (e.g., SBA's PRONET).

4. Knowledge of notes for CBD synopses.

5. Knowledge of the role of SBA procurement center representatives, including breakout representatives.

Other Policies and References (Annotate As Necessary):

11 SET ASIDES



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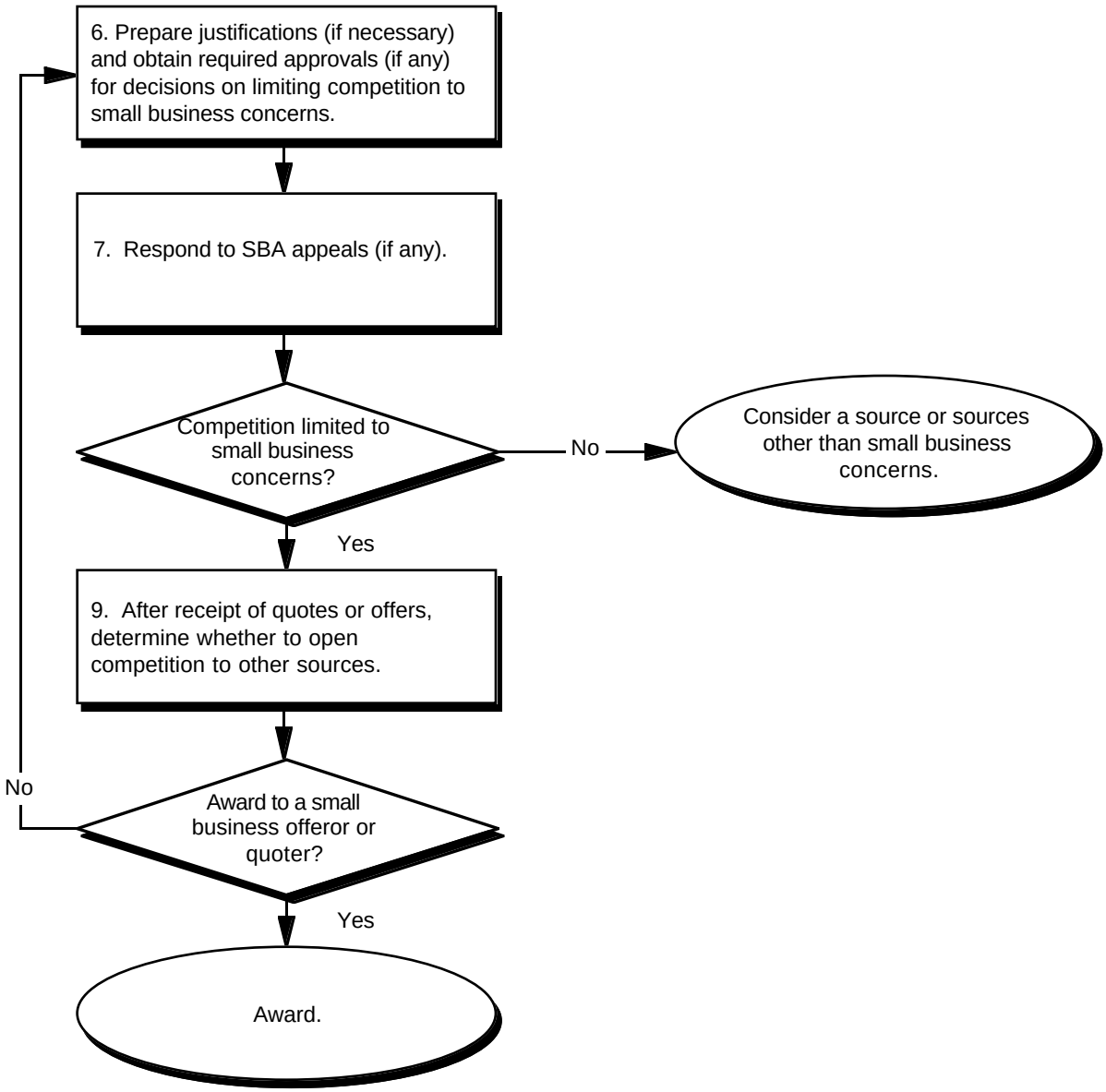


11 SET ASIDES

Tasks	Related Standards
1. Determine the appropriate Standard Industrial Classification code and applicable size standard. • If a firm appeals this determination to SBA, file a response within 5 business days after receipt of the appeal.	1. Classify a product or service in that one industry whose definition best describes the principal nature of the product or service being acquired. When acquiring a product or service that could be classified in two or more industries with different size standards, apply the size standard for the industry accounting for the greatest percentage of the contract price.
2. Review information from market research on small business availability, capability, and pricing. • Production capabilities (quantity) of small businesses. • Market prices. • Lead-times. • Ability to meet the technical requirement. • SBA's list of	
3. Determine whether to limit consideration to one or more firms on the SBA "List of Qualified HUBZone Small Business Concerns" (HUBZone SBCs) . Among the possibilities: • Sole source award to an HUBZone SBC. • At or below SAT, an optional set-aside for HUBZone SBCs. • If over SAT, a mandatory set-aside for HUBZone SBCs.	3. Only consider a sole source award if: • Only one HUBZone small business concern can satisfy the requirement; • The anticipated price of the contract, including options, will not exceed— ✓ $5,000,000 for a requirement within the Standard Industrial Classification (SIC) codes for manufacturing; or ✓ $3,000,000 for a requirement within any other SIC code; • The requirement is not currently being performed by a non-HUBZone small business concern; • The acquisition is greater than the SAT; • The HUBZone small business concern has been determined to be a responsible contractor with respect to performance; and • Award can be made at a fair and reasonable price. Only set aside for HUBZone SBCs if you expect (i.e., a "reasonable" expectation) to receive acceptable quotes or offers from two or more qualified HzSBCs at a fair market price. (When contracting for supplies, consider a non-manufacturer HUBZone SBC "qualified" only if it agrees to furnish only end products that are manufactured or produced by HUBZone SBCs).

11 SET ASIDES

Tasks	Related Standards
4. Determine whether the "nonmanufacturing rule" has been waived or should be waived. Subtasks: • Check the requirement against the SBA list of classes of products for which the non-manufacturing rule has been waived. • If an existing SBA class waiver does not apply, determine whether to request: - A class waiver, - A waiver for the specific solicitation, or - No waiver. (for the current list of SBA waivers, see http://www.sba.gov/GC/ollie.html)	4. Correctly determine whether any small business concern would be eligible for the set aside under the nonmanufacturing rule. Under that rule, you may award a set aside contract to a small business reseller ONLY if the reseller: • Employs less than 500 employees, AND • Offers a product made in the USA by a domestic small business manufacturer or producer. Only consider a waiver if: • Neither you nor SBA have any reasonable expectation that the solicited products would be offered by known domestic small business manufacturers or processors, AND • Products made by large business(es) or in foreign plants are available from small business resellers. Correctly determine which, if any, products from nonmanufacturers would be eligible for award under a potential set aside if the nonmanufacturing rule IS WAIVED. If the nonmanufacturing rule is waived, you may award under the set aside to a small business reseller which: • Employs less than 500 employees, • Is primarily engaged in the wholesale or retail trade, AND • Is a regular dealer, as defined pursuant to 41 U.S.C. 35(a) (see 22.601), in the product to be offered unless specifically exempted from section 35(a) by section 7(j)(13)(C) of the Small Business Act.
5. Determine applicability of the small business reservation or a class set-aside.	5. Correctly determine whether the requirement is covered by the small business reservation (i.e., any requirement under SAT) or a class set-aside.

11 SET ASIDES

Tasks	Related Standards
6. Determine whether to set-aside the requirement for small business concerns and the type of set-aside (if any). Given the determination: • Select and incorporate related provisions and clauses in the solicitation (or, of soliciting orally, give potential quoters information substantially identical to that which is in required provisions and/or clauses) • Select and/or prepare the appropriate Note or language for the Commerce Business Daily.	6. Contract on an unrestricted basis if you do not expect (i.e., a "reasonable" expectation) to receive quotes or offers from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery. Otherwise: • If the requirement is reserved for small business concerns or covered by a class set-aside, restrict competition to small business concerns (but see Subpart 19.10 for the "Small Business Competitiveness Demonstration Program"). • For other requirements, correctly apply the criteria at FAR 19.502 through 19.503 in determining whether and the type of set-aside to establish. In particular, comply with the prescribed order of preference for set-asides: Implied Order of Priority [19.504 being reserved]: 1 A total set-aside for small business concerns. 2 A partial set-aside for small business concerns 3 No set aside. Note: The FAR supplements for Defense agencies, NASA, and Coast Guard establish a different order of precedence.
7. Prepare justifications (if necessary) and obtain required approvals (if any) for decisions on limiting competition to small business concerns. In particular, prepare justifications for decisions to: • Open competition to all sources for requirements covered by the small business reservation. • Withdraw an individual set-aside. • Withdraw or modify class set-asides. • Reject recommendations from SBA procurement center representatives or small business specialists (e.g., a recommendation to award a sole source contract to an HzSBC or set aside award for HzSBCs).	7. Provide written notice within 5 business days to the SBA procurement center representative if the representative's recommendation has been rejected. When supplies or services are currently being provided by a small business but the new requirement (in terms of quantity or estimated dollar value) would make "it unlikely that small businesses can compete for the prime contract", provide a copy of the proposed acquisition package to the SBA procurement center representative at least 30 days prior to issuing the solicitation. Prepare and include the statement required by FAR 19.202-1.

Tasks	Related Standards
8. Respond to SBA appeals of decisions on limiting competition to small business concerns. • Justifications for the head of the contracting activity or his/her designee. • Suspension of action while under appeal or a written determination to proceed in face of SBA appeal.	
9. After receipt of quotes or offers, determine whether to open competition to other sources.	9. If the procurement has been set aside for HUBZone SBCs, withdraw the HUBZone SBC set-aside if you receive no acceptable offer (i.e., an offer that is technically acceptable and at a fair and reasonable price) from any HUBZone SBC (and, in that case, next consider a set aside for small business concerns). Solicit quotes from large business concerns for actions under SAT if you are unable to obtain offers from two or more small business concerns that are competitive with market prices and with regard to the quality and delivery of the goods or services being purchased. Over SAT, develop a sound, documented position on whether award to a small business concern would be detrimental to the public interest (e.g., payment of more than a fair market price). If detrimental, the contracting officer may withdraw the set-aside determination whether it was unilateral or joint. Initiate withdrawal by giving written notice to the agency small business specialist and the SBA procurement center representative, if one is assigned, stating the reasons.

UNIT 12 8(a) PROCUREMENTS

September 1998

Duties	1. Determine whether to meet the requirement through an 8(a) contract. 2. Award an 8(a) contract.
Conditions	Given Purchase Requests and related market data.
Overall Standard(s)	Correctly determine the capability of potential 8(a) sources to meet the need.

UNIT 12 8(a) PROCUREMENTS

Policies

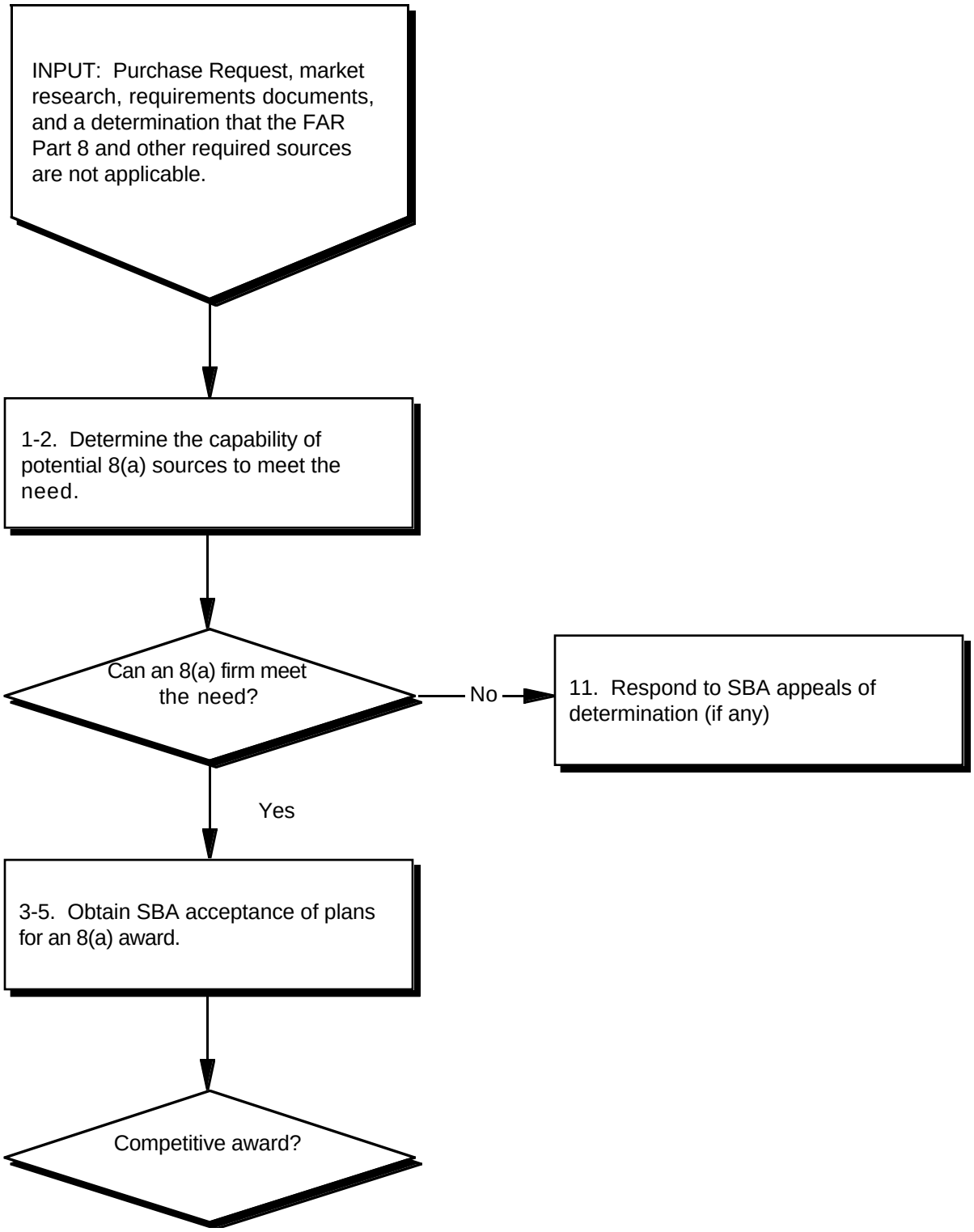
FAR	*Agency Suppl.*	*Subject*
19.502-2(a)		Use of the 8(a) program in acquiring supplies and services under SAT.
19.8		Contracting with the Small Business Administration (the 8(a) program).
52.219-11 52.219-12 52.219-14 52.219-17 52.219-18		Related clauses.

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

8(a) PROCUREMENTS



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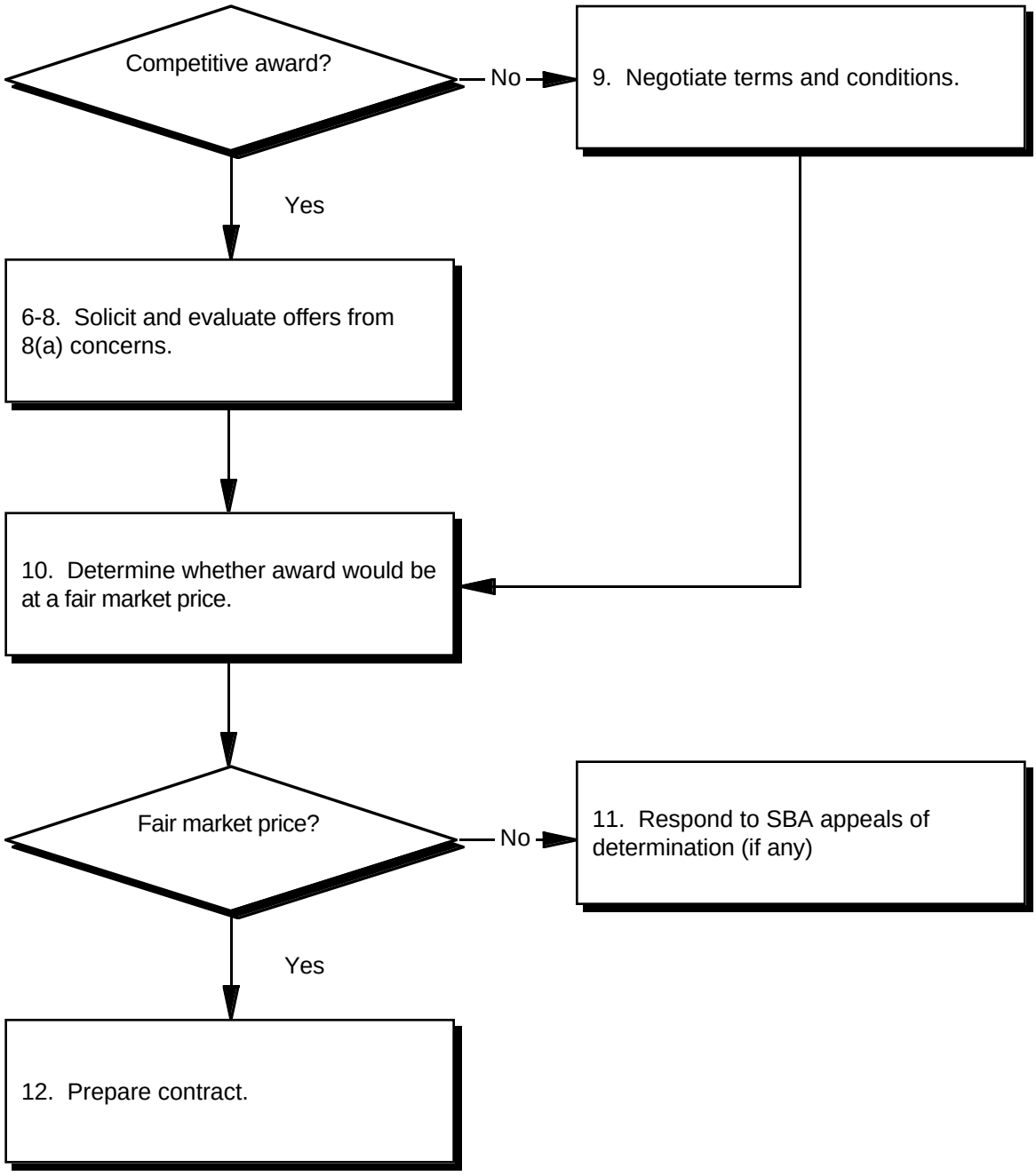


UNIT 12 8(a) PROCUREMENTS

Steps	Related Standards
1. Identify potential 8(a) sources of supply. • From SBA search letters which request contracting activities to match agency requirements with an 8(a) firm's capabilities. • From SBA requests that a specific requirement be set aside for an 8(a) firm. • From acquisition histories and market research—including lists by type of requirement from Small Business Specialists.	
2. Determine whether the potential 8(a) sources can meet the need. Focus on such standards of responsibility as: • FAR 9.104-1(b) • FAR 9.104-1(e) • FAR 9.104-1(f)	2. Take into account: • Quantity requirements. • Performance or delivery requirements. • Plans to acquire similar deliverables. • Impact of any delay. • Whether the deliverables have previously been acquired under small business set-asides. • The technical ability and capacity to perform of the 8(a) sources. • Extent to which 8(a) sources will need contracting assistance. • Problems encountered in prior acquisitions from the 8(a) contractors.
3. Determine whether or not to compete the 8(a) award among eligible 8(a) firms.	3. Recommend competition when: • The anticipated award price, including options, will exceed $5 million for SIC acquisitions and $3 million for all other acquisitions, and • There is a reasonable expectation that at least two eligible and responsible 8(a) firms will submit offers at a fair market price, and • None of the eligible, responsible 8(a) firms is owned and controlled by an economically disadvantaged Indian tribe that SBA has determined needs the acquisition. Consider recommending a competitive award for acquisitions below the competitive thresholds when the competition would be on a greatest value basis or when there are a large number of 8(a) firms available for competition.
4. Notify SBA of plans to place an 8(a) contract.	4. Include all elements prescribed by FAR 19.804-2.

Steps	Related Standards
5. Obtain acceptance from SBA of plans to place 8(a) contracts with SBA.	5. Obtain all data from SBA specified in FAR 19.804-3.
6. Solicit and evaluate offers from 8(a) sources.	6. Solicit offers from sources identified through the procedures of FAR 19.804-3. Solicitation may proceed either through the sealed bidding procedures of Part 14 or the competitive negotiation procedures of Part 15. When the procedures of Part 15 apply, conduct discussions directly with the competing 8(a) firms.
7. Refer responsibility issues to SBA to determine SBA's willingness to certify that an 8(a) firm is competent and responsible to perform.	
8. Obtain SBA confirmation that the offeror in line for award is eligible.	8. Provide SBA with the data on offerors required under FAR 19.805-2.
9. In noncompetitive acquisitions, negotiate the price and other terms and conditions with SBA and/or the 8(a) contractor.	
10. Determine whether the award would be at a fair market price.	10. Establish the fair market value through price and cost analysis (as prescribed by FAR 19.806 and 19.807). No award at a cost that exceeds the fair market value.
11. Respond to SBA appeals to the agency head. SBA may appeal: • A decision not to make an acquisition available for award under the 8(a) program. • The terms and conditions of a sole source acquisition to be awarded under the program. • The CO's estimate of the fair market price.	11. Suspend action on the acquisition pending the agency head's decision.
12. Prepare contract with SBA or a triparty contract.	12. Contracts must conform to the requirements of FAR 19.811.

UNIT 13 LEASE VS. PURCHASE

September 1998

Part A: Soliciting Offers To Lease

Duty

Determine whether to solicit for:

- Lease
- Purchase
- Both (the Government reserves the right to award either a lease or a purchase agreement, depending on offers received).

Conditions

Given Purchase Requests, acquisition plans, results of market research, and acquisition histories.

Overall Standard(s)

Solicit the type of offer that will result in the lowest expected total life cycle cost to the Government.

Part B: Evaluating Offers To Lease

Duty

Compare offers to sell against offers to lease.

Conditions

Given a solicitation that provided for the submission of both types of offers.

Overall Standard(s)

Correctly determine whether the lowest total life cycle cost to the Government can be achieved through leasing or through purchasing the commodity.

UNIT 13 LEASE VS. PURCHASE

Policies

FAR	*Agency Suppl.*	*Subject*
7.4		Equipment Lease Or Purchase.
52.207-5		Option to Purchase Equipment.

Other KSA's

1. Knowledge of types of leases and financial considerations in lease vs. buy analyses (e.g., sources of data and methods for determining the cost of capital to the Government, net present value analysis, and the time value of money)—from Business Finance.

2. Knowledge of alternative choice decisionmaking (e.g., steps in analysis, differential costs, and capital investment decisions)—from Accounting.

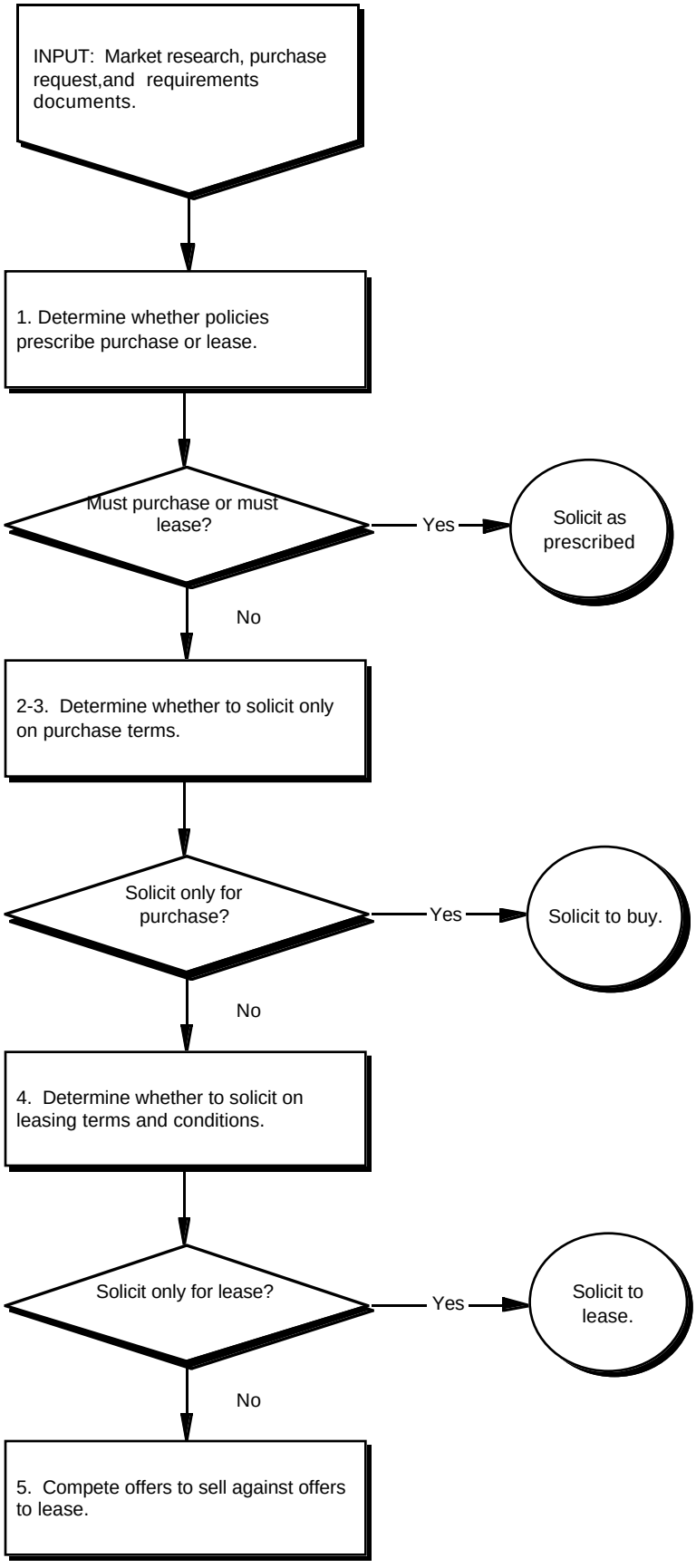
3. Knowledge of Circular A-104 and the Federal Reserve Board's Statistical Release H-15 (a weekly publication of current interest rates on Treasury securities).

4. Skill at market analysis; knowledge of market prices and the related terms and conditions of under which goods are leased or sold (from Marketing).

5. Skill at applying financial factors in determining whether the lowest total life cycle cost to the Government can be achieved through leasing or through purchasing (from Quantitative Techniques).

Other Policies and References (Annotate As Necessary):

Soliciting Offers To Lease



UNIT 13 LEASE VS. PURCHASE

Part A: Soliciting Offers To Lease

Tasks	Related Standards
1. Determine whether legislative or agency policies prescribe purchase or lease of the product.	A1. Correctly identify any policy that predetermines whether the procurement will be leased or purchased.

2. Review acquisition histories and market research for data relevant to the lease vs. purchase decision.
 	
Include data on such factors as:
• Stability of the technology.
• Trends in pricing.
• Standard commercial policies and practices of:
  - Manufacturers.
  - Distributors and other secondary suppliers.
• Standard commercial maintenance plans.
	A2. Identify all data relevant to the issue of determining whether to solicit for lease only, purchase only, or lease vs. purchase.

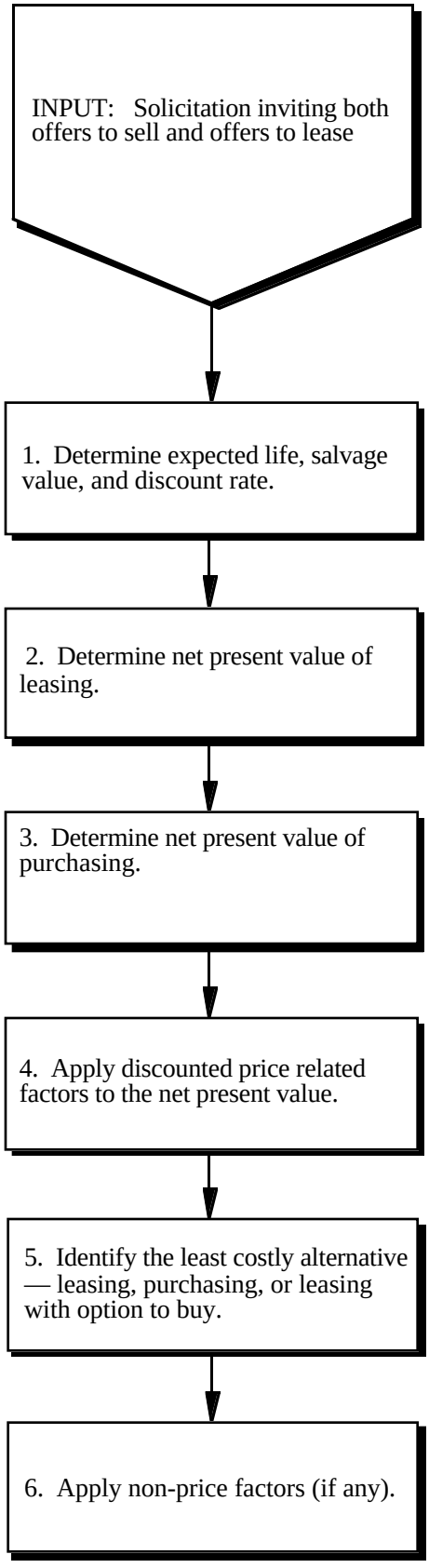
3. Determine whether to solicit for purchase alone. Typical reasons: • The requirement does not lend itself to leasing (e.g., services, perishables, weapons, spare parts). • Property will be provided to other contractors as Government furnished property. • The product has a long expected life and will not need upgrading (e.g., desks, chairs, etc.). • The product has a short shelf life. • The products will be used in a secure area (unless security can be assured under a lease).	A3. Solicit for purchase alone when the economic benefits of ownership clearly outweigh any potential benefit of leasing (or when security reasons preclude leasing).

UNIT 13 LEASE VS. PURCHASE

Part A: Soliciting Offers To Lease

Tasks	Related Standards
4. Determine whether to solicit lease only or lease with option to buy. Typical reasons: • One time use and no future need. • Urgency. • Products needed only an a limited, intermittent basis (e.g., cranes). • Leasing is the only means available for obtaining goods from the market. • Maintenance by Original Equipment Manufacturer offered only on leases. • Prices are expected to rapidly decline or technology is expected to rapidly improve during the period of need (lease or lease with option to buy). • Continued need not known beyond period of performance (lease or lease with option to buy). • Suitability cannot be determined without a prolonged trial period (lease with option to buy).	A4. Solicit for lease alone when the economic benefits of leasing clearly outweigh any potential benefit of ownership.
5. Solicit both (a) offers to purchase and (b) offers for one or more types of leasing arrangements (e.g, lease to purchase, lease with option to purchase, and/or straight lease). • Include lease vs. buy among price related factors in the source selection plan (see Units 15 and 16). • Determine appropriate solicitation provisions and/or clauses (see Unit 26).	A5. Solicit both purchase price and leasing price(s) when differences in expected total costs to the Government among these alternatives are unknown or marginal (fluctuate over time).

Evaluating Offers To Lease



UNIT 13 LEASE VS. PURCHASE

Part B: Evaluating Offers To Lease

Tasks	Related Standards
1. Determine the product's expected life, depreciation rate, salvage/resale value, and discount rate. • Estimated "life" of the product (in terms of probable period of use by Government.) • Estimated residual value/resale value after depreciation • Discount rate (cost of capital, based on Treasury rates)	B1. Correctly identify the cost of capital, salvage values, and expected life. When calculating expected life, take into account (a) potential obsolescence of the product because of imminent technological improvements and (b) the potential for use of the product by other agencies after its use by the acquiring agency is ended.
2. Determine the discounted base price of leasing. • Total of discounted payments under the lease. • Total of discounted payments for an option to buy plus the discounted salvage/resale value.	
3. Identify and estimate the base cost of purchasing. • Purchase price. • Discounted salvage value/resale price.	

UNIT 13 LEASE VS. PURCHASE

Part B: Evaluating Offers To Lease

Tasks	Related Standards
4. Determine the evaluated price for each alternative (lease, lease with option to buy, purchase, etc.) by applying the price related factors (see Unit 37). • Maintenance, operation, repair, spare parts, and improvements: - By contractor/lessor. - By other sources. - In-house. - Combination. • Transportation: - By contractor/lessor. - By Government. - Price for FOB Destination. - Government estimate for FOB Origin. • Installation charges. • Secondary supplies: - From contractor/lessor. - From other sources. - From Government. • Cost to the Government of special tax preferences (for certain capital assets per OMB Circular A-104 revised). • Imputed costs of ownership (for certain capital assets per OMB Circular A-104 revised). • Training: - By contractor/lessor. - By other sources. - By Government. - None needed. • Other supplemental charges (e.g., volume usage, miles, copies.).	B4. Correctly calculate the discounted net difference in the cost of leasing vs. purchasing for each price-related factor.
5. Identify the least costly alternative to the Government --leasing, purchasing, or lease with option to purchase.	B5. Apply all price-related factors and correctly calculate total, discounted life cycle cost to the Government of each alternative.
6. Apply any non-price related evaluation factors (e.g., operating advantages of alternative types and makes of equipment; availability of servicing capability).	

UNIT 14 PRICE RELATED FACTORS

Duty	Select price-related factors for incorporation in the solicitation.
Conditions	Given purchase requests, acquisition histories, and market data.
Overall Standard(s)	Incorporates all price-related factors necessary to establish the total cost of each offer or any combination of offers to the Government over the life of the deliverable.

UNIT 14 PRICE RELATED FACTORS

Policies

FAR	*Agency Suppl.*	*Subject*
13.101(b)		Multiple awards in simplified acquisition; trade discounts; prohibition against using prompt payment discounts in evaluating quotes.
13.106-1(a)(2)		Price-related factors in simplified acquisition.
13.103		Standing price quotations.
13.106-2(a)(1)		Transportation costs as a factor.
14.201-8		Price-related factors in sealed bidding.
15.101 & 304		Evaluation factors in negotiations.
17.106-2		Soliciting multiyear offers.
17.203 and 206		Options as a price-related factor.
19.202-1(a) & (b)		Providing for more than one award when that would allow small business concerns to compete for part of the requirement.
19.11		Price evaluation adjustment for small disadvantaged business concerns.[1]
19.1307		Price evaluation preference for HUBZone small business concerns.
23.203 23.704(b)(2)		Energy conservation and efficiency factors.
25.1 25.4		Buy American and Trade Agreements Acts in evaluating prices.
45.2		Evaluating prices of vendors that have the advantage of Government furnished property.
47.101 47.105 47.3		Transportation costs as a price-related factor.
52.214-10 52.215-1(f)		Use of price related factors in making award.
52.214-22		Evaluation of offers for multiple awards.
52.217-3 through 52.217-5		Options.
52.219-4		Notice of Price Evaluation Preference for HUBZone small business concerns.
52.219-23		Notice of price evaluation adjustments for small disadvantaged business concerns.[1]
52.247-45		Transportation. (Also 52.247-45 through 47; and 247-49 through 51, 56-60, and 62.)

Other KSA's

1. Knowledge of different types of award combinations and the circumstances under which each is the most appropriate.

2. Knowledge of the typical elements in logistical support (e.g., physical distribution, installation, technical documentation, training, supplies, spares, and facilities), in terms of identifying a potential price-related factor for each such element (from Industrial Management).

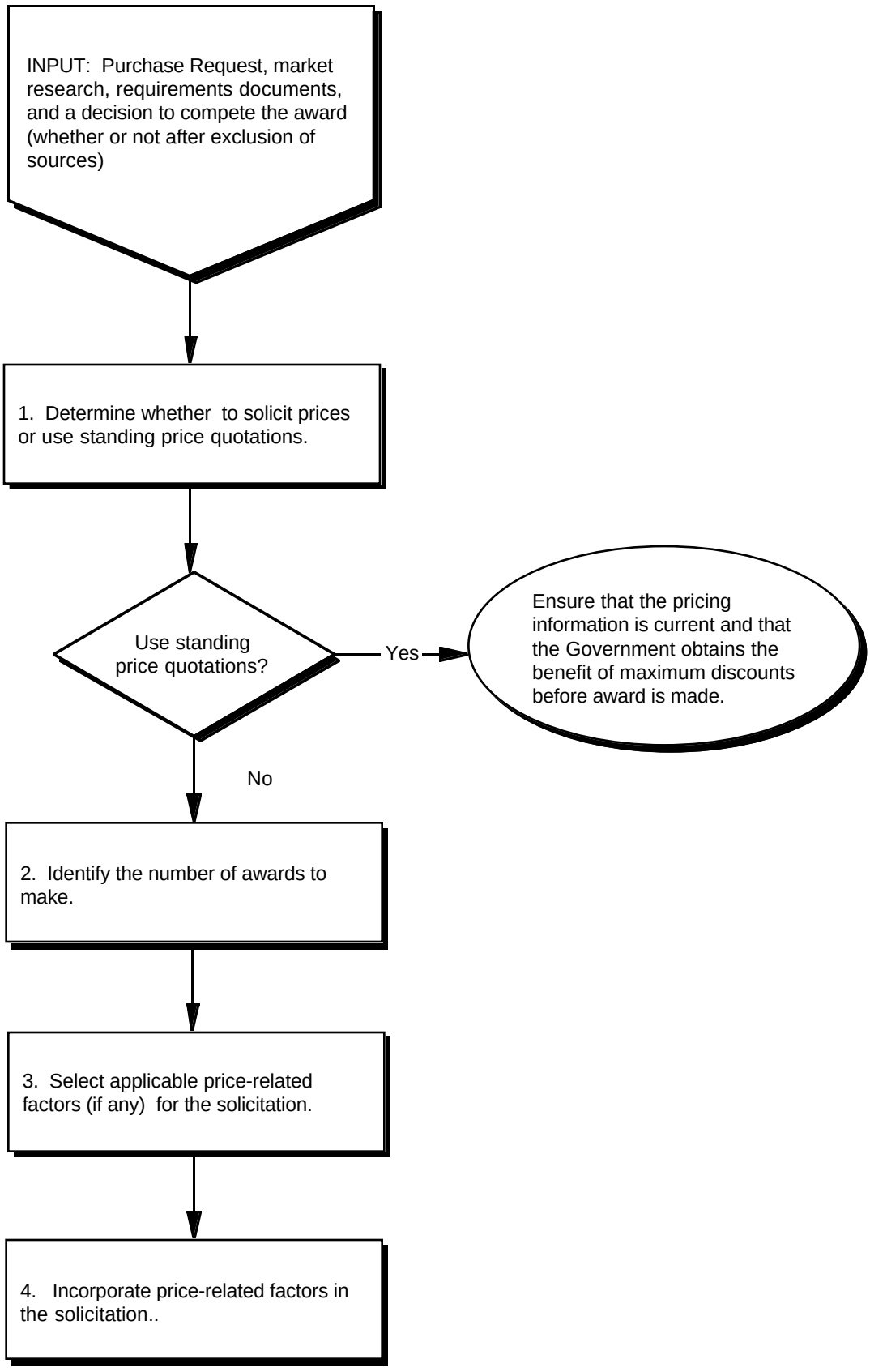
3. Knowledge of other typical price-related factors, the benefits and drawbacks of each such factor, circumstances under which the price related factor may be included, and typical formulas for applying the factors.

4. Knowledge of mathematics sufficient to develop formula (e.g., net present value) for such price-related factors as life cycle costs (from Quantitative Methods).

[1] FAC 97-06

UNIT 14 PRICE RELATED FACTORS

Tasks **Related Standards**



UNIT 14 PRICE RELATED FACTORS

Tasks	Related Standards
1. Determine to solicit prices or use standing price quotations.	1. Identify applicable standing price quotations (if any). Ensure that the pricing information is current and that the Government obtains the benefit of maximum discounts before award is made.
2. Determine number of awards. • Single award of all line items to one contractor. • Separate, single awards for different line items (given the number and nature of line items). • Progressive awards (when most firms in the market are capable of individually providing only a part of the total quantity required per the delivery schedule). • Multiple awards • Partial set asides (from Unit 11, when small business can perform part of the work). • Incremental pricing (i.e., separate prices for different lots--such as one price for the first 100 and a separate price for next 500). Request incremental pricing when some suppliers (including distributors) may be able to offer a lower price on the first lot than the most efficient producers (because of excess inventory or scrap) but not for the entire quantity required. • "Family buys"--request a separate price for a group of line items.	2. Correctly identify procurements for which multiple contracts may yield more effective competition which results in an overall lower price or better meets the Government's requirements resulting in greater value (compared to the cost of administering one or more additional contracts). To encourage small business participation in the procurement (per FAR 19.202-1), recommend: • Dividing proposed acquisitions of supplies and services into reasonably small lots (not less than economic production runs) to permit offers on quantities less than the total requirement. • Planning acquisitions such that, if practicable, more than one small business concern may perform the work, if the work exceeds the amount for such a surety may be guaranteed by SBA against loss under 15 USC 694(b).

UNIT 14 PRICE RELATED FACTORS

Tasks	Related Standards
3. Identify factors that will be applied in determining an evaluated price (per Units 33 and 37).	3. Identify all factors entailed by the Government requirement.
• Price evaluation adjustment for small disadvantaged business concerns. [2]	Use this factor as prescribed by FAR 19.1102 in competitive acquisitions that exceed SAT and are neither being made through the 8(a) program or through use of a small business set aside.
• Price evaluation adjustment for HUBZone small business concerns.	Use this factor as prescribed by FAR 19.1307 in acquisitions that exceed SAT and are being conducted through full and open competition.
• Costs associated with multiple awards	
• Government furnished property costs (See Unit 7).	
• Options (from Unit 18).	Use options as an evaluation factor when there is a reasonable likelihood that the options will be exercised. When soliciting sealed bids, put this determination in writing.
• Lease vs. purchase price comparisons (from Unit 13).	Request both lease and purchase pricing for equipment when market research indicates (a) that both options are available from the industry, and (b) the economic differences between leasing vs. purchasing are marginal or unknown.
• Transportation costs (from Unit 6).	Either select the FOB point that will cost the Government the least (based on acquisition history) or request offers both with and without transportation costs.
• Expected costs for maintenance, warranty protection or repair, training, installation, technical manuals, spare parts, and supplemental supplies.	Request prices for all such services needed (either on per service basis, package basis, or some combination).
• Energy conservation and efficiency criteria.	
• Estimated quantities (for indefinite delivery contracts)	
• Quality Factors (e.g., “Blue Ribbon”, “Vendor Rating”, & “Supplier Performance Index”).	
• Life cycle costs (or modified life cycle cost).	Select life cycle costing for equipment with an expected life greater than one year if there are sufficient data (from market research, Government testing) to develop and apply the formula.
4. Select and complete method of award provisions (for Part M of the Uniform Contract Format, where applicable).	

[2] FAC 97-06

UNIT 15 NON-PRICE EVALUATION FACTORS

February 1999

Duty	Select non-price evaluation factors (if any) for award and determine how the Government will apply the factors.
Conditions	Given acquisition histories, market data, purchase requests, requirements documents and/or the statement of work.
Overall Standard(s)	Evaluation factors and methods are reliable (using the factors independently from one another, technically competent individuals would evaluate the same proposal consistently) and valid (factors are in fact predictive of ability to satisfy the Government's minimum needs). Each acquisition should tailor the source selection process, the type and number of evaluation factors and subfactors, and techniques that will be employed to optimize the acquisition process.

UNIT 15 NON-PRICE EVALUATION FACTORS

Policies

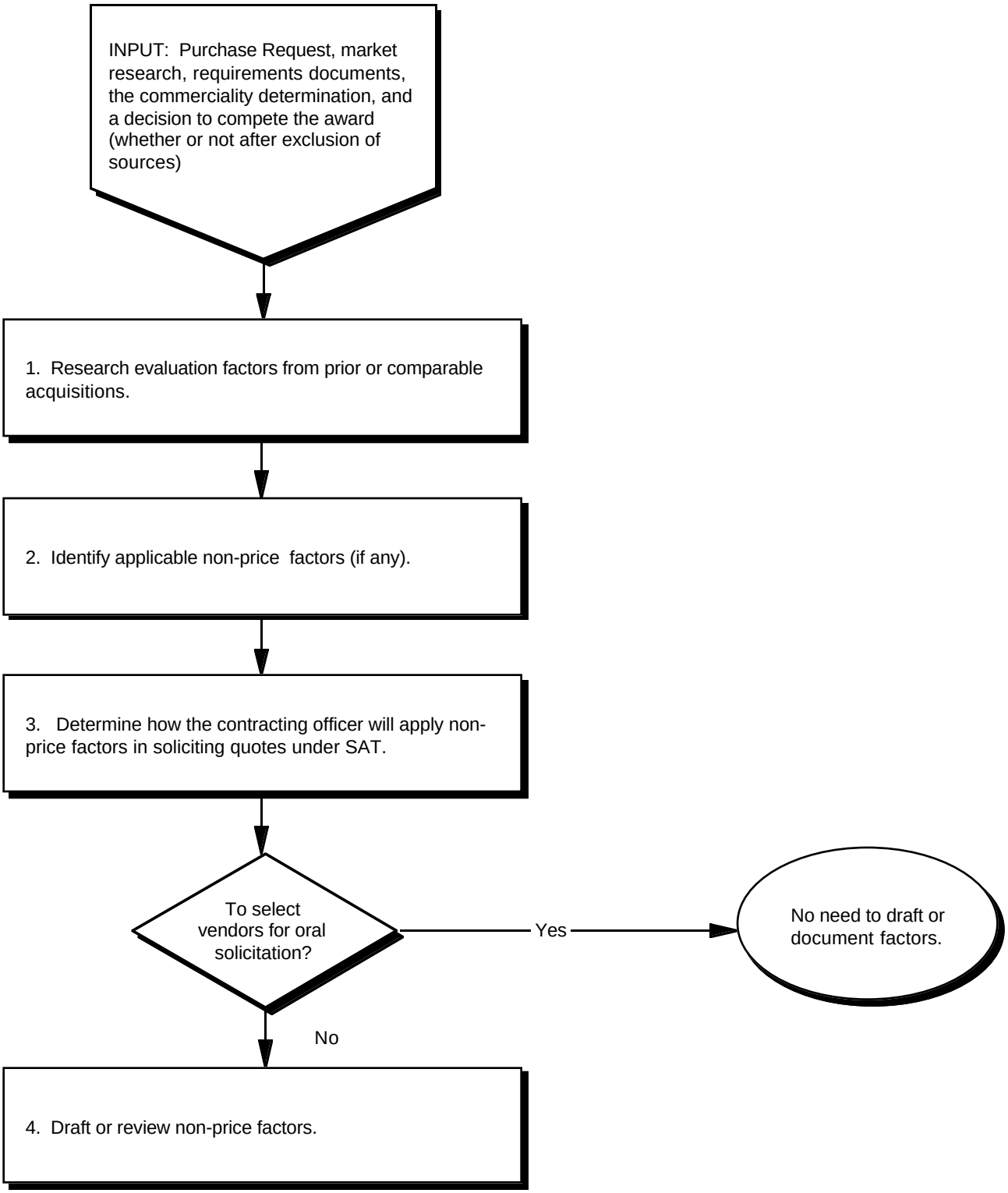
FAR	*Agency Suppl.*	*Subject*
2.101		Definition of best value.
3.104		Source selection information; control of.
9.104-2		Special standards of responsibility.
12.205(a) &(b)		Use of commercial product information in evaluating offers (rather than requiring submission of technical information); allowing proposals of alternative commercial products).
12.206		Use of past performance as an evaluation factor when acquiring commercial items.
12.602		Streamlined evaluation of offers.
13.106-1(a)(2)		Use of non-price factors in simplified acquisition.
15.201		Controls on early exchanges by members of source selection panels.
15.302		Source selection Objective.
15.303		Responsibilities; organizing the source selection team.
15.304		Evaluation factors and significant subfactors.
15.305		Planning for proposal evaluation.
19.201		Extent of participation of SDB concerns in contract performance as a mandatory evaluation factor in unrestricted acquisitions expected to exceed $500,000 ($1,000,000 for construction).[1]
19.1202		
32.107		The need for financing not to be used as an evaluation factor.
35.007		Sample R&D evaluation factors.
35.008(a)-(b)		Guidelines for R&D evaluation factors.
35.016		Use of evaluation factors in BAA's.
37.203(d)		Controls on contracting for evaluators in source selections.
52.212-2		Factors in evaluating commercial items.
52.219-24 & 25		Provision and clause to insert when considering the extent of participation of SDB concerns in contract performance.[1]

Other KSA's Knowledge of Comptroller General decisions and other case law relevant to the selection, composition of non-price factors, as well as on the incorporation of such factors in solicitations (See Appendix I for Examples).

Other Policies and References (Annotate As Necessary):

[1] FAC 97-07.

UNIT 15 NON-PRICE EVALUATION FACTORS



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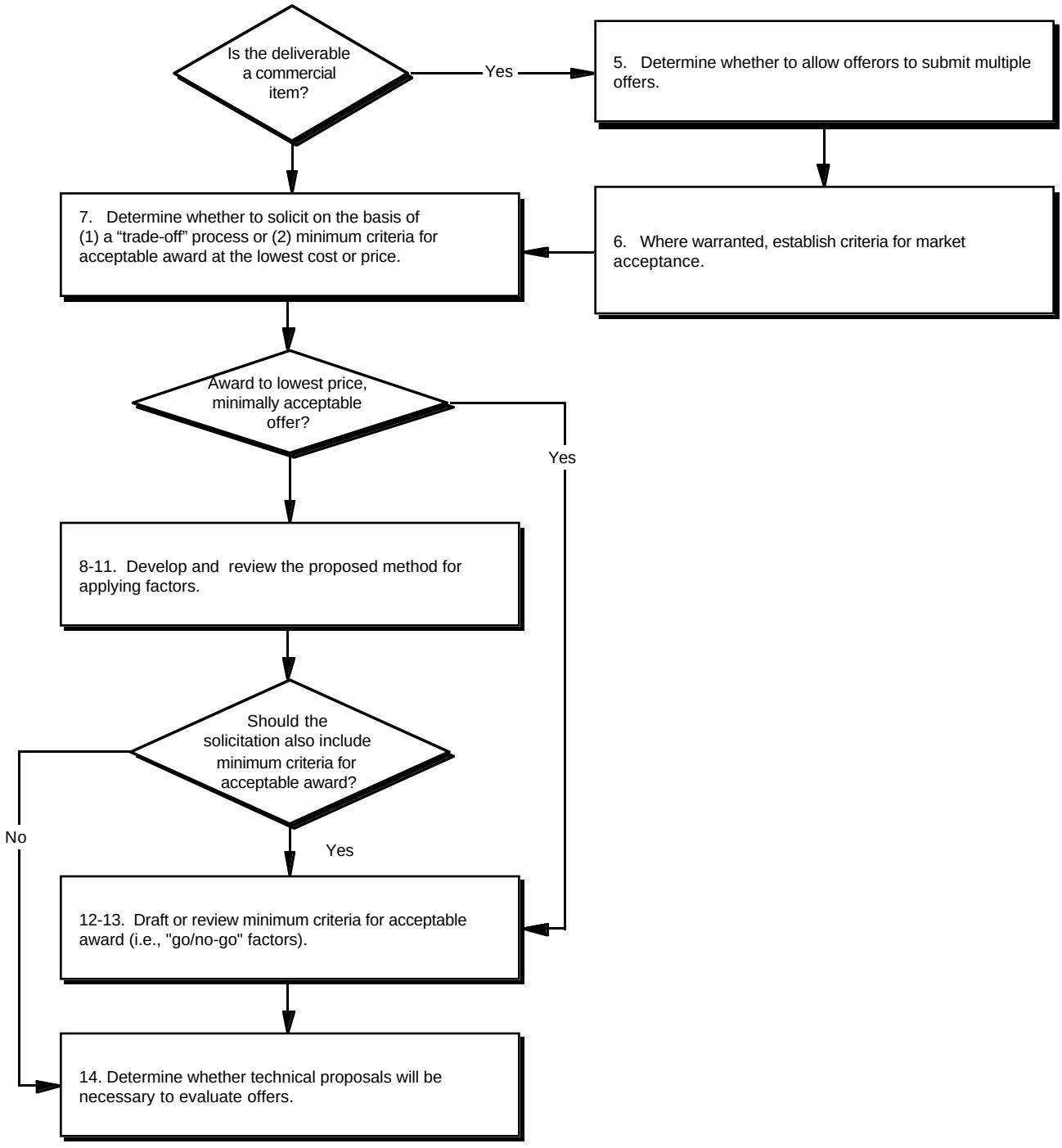

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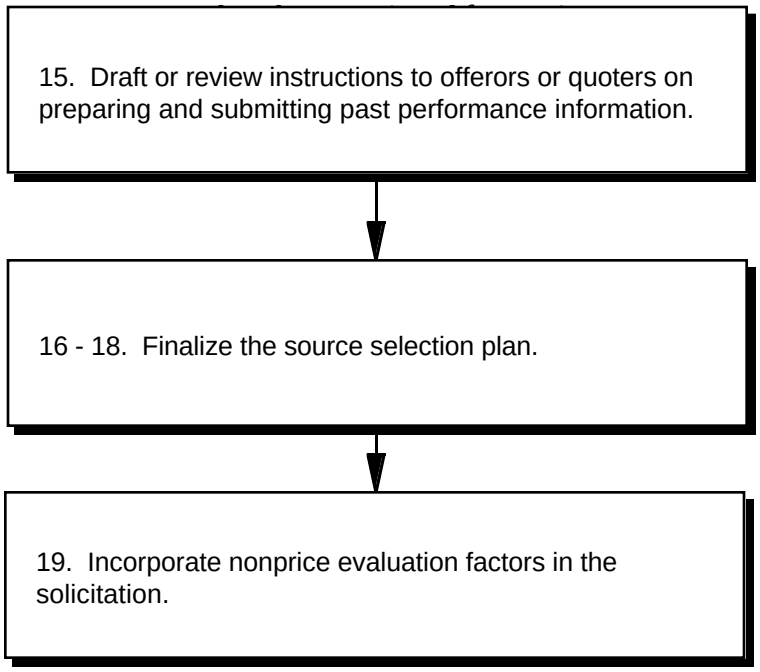
UNIT 15 NON-PRICE EVALUATION FACTORS



UNIT 15 NON-PRICE EVALUATION FACTORS

Tasks	Related Standards
1. Research evaluation factors from prior or comparable acquisitions.	1. Review acquisition histories and market research for such factors and obtain data on such factors, any problems with the factors, and the validity of the factors in practice. For commercial items, identify and, wherever possible, apply "trade off" factors and ratings published by independent evaluators (e.g., on-line consumer reports, trade periodicals, et. al.).
2. Identify applicable non-price factors (if any). If using simplified procedures, identify applicable non-price factors (if any) to select vendors for solicitation and/or incorporate in a written solicitation. When contracting for commercial items, you may limit evaluation factors to: • Past performance • Technical capability (i.e., how well proposed products meet the Government requirement). • Price (e.g., purchase price and relevant price-related factors from Unit 14). When following the procedures of FAR Part 15, consider the following: • Price (e.g., purchase price and relevant price-related factors from Unit 14). • Past performance • Quality (by using factors such as past performance, technical excellence, management capability, personnel qualifications, prior experience, and/or schedule compliance). • Environmental objectives, such as promoting waste reduction and energy efficiency (to the extent that these objectives are not better represented as price-related factors).[1] • Extent of participation of SDB concerns in contract performance in unrestricted acquisitions expected to exceed $500,000 ($1,000,000 for construction).[2] • Other relevant factors (if any), such as cost realism.	2. Identify all factors (if any) which would significantly increase the probability of meeting or beating the requiring activity's cost, schedule and performance goals (taken as a whole) for the Federal program or programs supported by the contract. Do NOT plan to solicit: • Based on personal preference. • Only from suppliers of well-known and widely distributed makes or brands (absent acceptable justification for restricting competition to a single brand-name — see Unit 10). When using the procedures of FAR Part 15, correctly determine the dollar threshold for mandatory use of past performance as an evaluation factor. Identify and correctly document good and sufficient reasons (if any) for disregarding past performance above the threshold. When FAR Part 12 applies to the solicitation, correctly determine whether FAR 52.212-1 is required.

[1] FAC 97-01.
[2] FAC 97-07.

UNIT 15 NON-PRICE EVALUATION FACTORS

Tasks	Related Standards
3. Determine how to apply non-price factors when using Simplified Acquisition Procedures. Alternatives: • Use non-price factors to select vendors (e.g., 3 or more in the same locality) for solicitation. • Use non-price factors after solicitation for comparative evaluations of quotations.	3. Use non-price factors to select vendors for oral or written solicitations when you are neither required nor plan to solicit additional quotations through public postings, the Governmentwide Point of Entry, or a Commerce Business Daily (CBD) notice. Note: This decision cannot be made until you have first determined the method for soliciting quotes or offers (Unit 16B) and whether and how the requirement will be synopsized in the CBD (Unit 24).
4. Draft or review non-price factors. This includes: • Factors. • Subfactors (optional if using simplified acquisition procedures). • Elements • Standards. • Rationale for factors, subfactors, elements, and standards.	4. Do not use subfactors when soliciting offers for commercial items when the solicitation adequately describes the deliverable's intended use. Advise cognizant technical officials on all changes necessary to improve the reliability and validity of proposed factors. Accurately recognize and diagnose problems with proposed factors, such as: • Omissions (e.g., missing standards). • Vagueness or ambiguity. • No apparent relationship to the Statement of Work. • Inconsistency with the Statement of Work or with draft proposal submission instructions. • Appearance of being arbitrary and capricious; insufficient substantiation in supporting documents. • Improper use of the need for financing as an evaluation factor.
5. Determine whether to allow offerors to submit multiple offers.	5. When acquiring commercial items, generally authorize offerors to submit multiple offers. Do this especially when: • Using tradeoff procedures, • Firms in the market typically offer two or more products to satisfy the same general requirement, • Products sold by the same vendor under different names differ in relevant characteristics other than price, AND • Technical evaluators would benefit from having an opportunity to compare the different products available from the same vendor.

Tasks	Related Standards
6. Where warranted, establish criteria for market acceptance.	6. Correctly determine whether circumstances justify market acceptance criteria (i.e., when such criteria would significantly increase the probability of meeting or beating the requiring activity's cost, schedule and performance goals for the Federal program or programs supported by the contract). Draft criteria that meet the tests of FAR 11.103. Documentation in the file must: • Describe the circumstances justifying the use of commercial market acceptance criteria, and • Support the specific criteria being used.
7. Determine whether to solicit on the basis of (1) tradeoffs or (2) award to lowest price technically acceptable offer. In simplified acquisitions, consider as a "minimum criterion for acceptable award": • Whether or not the offered product is one of, or equal to, acceptable" (as determined through market research) brand name products, or • Whether or not a commercial product has been rated highly in published tests by independent, commercial evaluators. In most cases, published ratings are based in part on past performance-related factors such as product reliability, warranty terms, and technical support. In either case, you may then select products that meet or exceed the minimum criteria on price and price-related factors alone. For simplified acquisitions in particular, also consider using past performance and other quality indicators as "price-related factors" to permit award on minimum criteria for acceptability at the lowest cost or price.	7. Given the requirement's complexity, risks inherent in that requirement, and the resources (and lead-time) available to the Government to conduct the acquisition, correctly determine whether the benefits of the tradeoff process would outweigh the costs of that process. For example, consider tradeoffs between price and non-price factors when: • Soliciting cost type contracts. • Using performance or functional specifications that will open the door to a variety of technical approaches — each characterized by different strengths and weaknesses. • There is no clear-cut means of determining the technical acceptability of marginal offers.

UNIT 15 NON-PRICE EVALUATION FACTORS

Tasks	Related Standards
8. Organize and staff the evaluation team. • Identify the Source Selection Authority (ordinarily the Contracting Officer on smaller scale procurements) • Identify team members. • Brief team members on their roles and responsibilities. • Determine whether to release proposals outside the Government for evaluation.	8. Correctly identify the role(s) and responsibilities of each source selection participant. Cover all aspects of safeguarding information, including the provisions of FAR 3.104 and 15.201. Any release of proposals to non-Government evaluators is made only when authorized by FAR **37.203(d**) and in full compliance with FAR 3.104 and 15.**306**.
9. Determine the importance of the non-price factors relative to Price.	9. Relative importance is a function of the business and technical risks inherent in the work. The higher the risks, the greater the emphasis on factors other than price-related.

RFPs must directly, expressly state whether:

Non-Price evaluation factors (taken as a whole) are …

- Significantly more important than, **or**
- Approximately equal in importance to, **or**
- Significantly less important than …

Cost or price.

Include this language in Section M (when using the UCF).

UNIT 15 NON-PRICE EVALUATION FACTORS

Tasks	Related Standards
10. Determine the method for applying comparative evaluation factors. Subtasks: • Determine the relative importance of each factor, subfactor (if any), and element. • Select the evaluation method (e.g., Adjective Ratings, Numerical Scores, or Ranking). • For each factor (or subfactor/element), define values for the multiple distinctions of merit. • Prepare a written rationale for the rating/scoring methodology (if any). Among alternative approaches to comparative evaluation in simplified acquisitions: • First rank offerors on price (using the techniques in Unit 37 to calculate evaluated prices and determine the lowest, realistic, reasonable prices). Then apply non-price factors only to the three lowest priced quotations (excluding unrealistic and unreasonable prices). • First rank offerors on price. Then use non-price factors to compare the two lowest price quotations against the lowest priced "brand name" product that is considered a "best value" based on market research. • For services, use price and past performance as the only criteria. First rank offerors on price (using the techniques in Unit 37 to determine evaluated prices and identify the low, realistic, reasonable prices). Then selected the highest rated past performer from among the 3-5 firms which submitted the lowest, realistically, reasonably priced quotations.	10. When using simplified acquisition procedures, do NOT draft formal evaluation plans. Also do NOT plan to score quotes (vis-a-vis other methods of identifying the highest value quote). The evaluation methodology is reliable (applying the methodology independently of one another, technically competent individuals would evaluate the same proposal consistently) and valid. The rationale should be complete and sufficient to support the reliability and validity of the rating/scoring methodology.

Tasks	Related Standards
11. Critique the proposed method for applying factors.	11. Advise the Source Selection Authority and/or cognizant technical officials on all changes necessary to improve the reliability and validity of the proposed evaluation methodology. Accurately recognize and diagnose such problems as: • Inconsistency with relative order of importance for the factors in the draft RFP. • Appearance of arbitrariness or capriciousness. • Omissions (e.g., factors that are missing measures of relative importance). • Logical fallacies (e.g., weights for subfactors that exceed the total points allotted for the factor). • Ambiguity.
12. Draft minimum criteria for acceptable award (i.e., "go/no-go" factors).	12. Accurately distinguish "minimum criteria for acceptable award" from special standards of responsibility (See Unit 9E).[1] Identify any factor that should be applied on a "go/no-go" basis to screen out "high risk" bids or proposals. Minimum criteria are reliable (applying the factors independently of one another, technically competent individuals would evaluate the same proposal consistently) and valid (in terms of accurately differentiating "high risk" from "low risk" offers). The rationale should be complete and sufficient to support the reliability and validity of the proposed criteria.

[1]For guidelines on the use of responsibility factors in evaluating offers, see 52 Comp. Gen. 47 and also the following unpublished decisions of the Comptroller General: B-224392.2, Matter of B & W Service Industries, Inc; B-231607, Matter of Sanford and Sons Company; B-236255, Matter of Eagle Technology, Inc.; B-237364, Matter of York Systems Corporation; B-237325, Matter of Environmental Technologies Group, Inc.; and B-237865.2, Matter of: Commercial Building Service, Inc.

UNIT 15 NON-PRICE EVALUATION FACTORS

Tasks	Related Standards
13. Review draft “minimum criteria for acceptable award” (i.e., draft "go/no-go" factors).	13. Advise the Source Selection Authority and/or cognizant technical officials on all changes necessary to improve the reliability and validity of the draft criteria. Accurately recognize and diagnose such problems as: • Vagueness or ambiguity. • No clear line of demarcation between "acceptable" vs. "unacceptable" proposals. • Inconsistency with the Statement of Work and draft proposal submission instructions. • Appearance of being arbitrary and capricious; insufficient substantiation in supporting documents and rationale.
14. Determine whether technical proposals will be necessary to evaluate offers. Alternatives to technical proposals as sources of information for applying non-price evaluation factors: • Product Literature (e.g., brochures, spec sheets, product technical descriptions). • Product Samples. • Past Performance Information.	14. When acquiring commercial items, do NOT require technical proposals if Government evaluators can apply non-price factors to existing product literature generally available in the industry.
15. Draft or review instructions to offerors or quoters on preparing and submitting past performance information.	15. Evaluation of past performance does not require the creation or existence of a formal data base. In simplified acquisitions, you may base past performance evaluations on such information as the contracting officer’s knowledge of and previous experience with the item or service being purchased, customer surveys, or any other reasonable basis.
16. Prepare for discussions with the Source Selection Authority and/or cognizant technical officials. • Summary outline of strengths and weaknesses. • Questions to clarify. • Analysis of each factor. • Analysis of draft instructions for submitting information to apply the factors.	
17. Reach agreement with the Source Selection Authority and/or cognizant technical officials any needed changes in proposed factors and methods for applying factors.	

UNIT 15 NON-PRICE EVALUATION FACTORS

Tasks	Related Standards
18. Finalize and recommend (or critique) the source selection plan. Typical elements: • Summary of the requirement and acquisition plan. • Description of the organizational structure for the source selection (e.g., source selection authority, evaluation team, and/or advisory council). • Staffing of the evaluation team (if any). • Descriptions of the proposed evaluation factors and their relative importance. • A description of the evaluation process, methodology, and techniques to be used. • A schedule of significant milestones.	18. Unless using simplified acquisition procedures, prepare written plans when acquiring supplies and services through trade-off analysis (written plans may also be desirable when the dollar amounts of the contracts are expected to exceed the threshold for CBD synopses and the evaluation plan is relatively complex). Update the acquisition plan from Unit 2 as necessary to reflect preaward source selection decisions and incorporate relevant elements of the source selection plan in the overall acquisition plan. When a source selection plan is prepared, do not conduct a presolicitation conference or issue the solicitation prior to approval of the plan.
19. In the solicitation, identify (1) the basis upon which award is to be made and (2) all evaluation factors and significant subfactors.	19. Incorporate all evaluation factors (and any significant subfactors), along with instructions on submitting information to apply the factors. • By using the provision at 52.212-2 or inserting your own provision as an addendum to a Part 12 solicitation. • By preparing Section M of the UCF. • Otherwise. Unless using simplified acquisition procedures, disclose the relative importance (but not necessarily the planned weights, if any) of factors and significant subfactors that will be used to rate or score proposals. Ensure that proposal submission instructions will solicit all information from offerors necessary to apply the evaluation factors. Use the provision at 52.212-2 when: • Acquiring commercial items under FAR Part 12, • Award will be on the basis of best value in terms of performance and other factors, and • You will be using a relatively simple set of evaluation factors.

Numerical weights are NOT mandated (or encouraged) by the FAR. However, the FAR reaffirms that numerical weights can be used — and do not necessarily have to be disclosed in the RFP. Contracting officers may disclose numerical weights "on a case by case basis" in the solicitation. Although the new FAR language is silent as to this practice, disclosing weights generally is NOT good practice. The Comptroller General has repeatedly ruled that Source Selection Authorities have discretion to overrule numerical scores when weights are NOT disclosed in the solicitation. [§15.30

- Where, as here, a solicitation indicates that price will be considered but does not indicate the relative importance of price and technical factors, they are considered approximately equal in weight. Bachy/Bauer/Green Joint Venture, B-235950, Sept. 18, 1989, 89-2 CPD P 240. (B-238824, Matter of: Avtec, Inc., June 22, 1990.)
- Source selection officials in a negotiated procurement have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results; cost/technical tradeoffs may be made, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation criteria. TRW, Inc., 68 Comp.Gen. 512 (1989), 89-1 CPD P 584. Even where cost is the least important evaluation factor, an agency may award to a lower priced, lower scored offeror if it determines that the cost premium involved in awarding to a higher rated, higher priced offeror is not justified given the acceptable level of technical competence available at the lower cost. Dayton T. Brown, Inc., B-229664, Mar. 30, 1988, 88-1 CPD P 321. The determining element is not the difference in technical scores, per se, but the selection official's judgment concerning the significance of that difference, and the question in such a case is whether the award decision was reasonable and adequately justified in light of the RFP evaluation scheme. Matter of: Wyle Laboratories, Inc.; Latecoere International, Inc., August 6, 1990.)

UNIT 16 METHOD OF PROCUREMENT OR PURCHASING

February 1999

Part A: Method of Procurement

Duty

Determine the method of procurement.

- Sealed bidding
- Two-step sealed bidding
- Award on competitive proposals.

Conditions

Given Purchase Requests, a determination to use other than Simplified Acquisition Procedures, information from market research, source lists, and a decision on applicable evaluation factors.

Overall Standard(s)

Select sealed bidding when all of the following are true:

- The requirement cannot be met by ordering against an existing contract.
- Time permits the solicitation, submission, and evaluation of sealed bids.
- Award will be made on the basis of price and other price-related factors.
- There is no need for discussions with responding offerors about their offers.
- There is a reasonable expectation of receiving more than one sealed bid.

Part B: Method of Purchasing

Duties

Determine the method for soliciting quotes under FAR Part 13.

- Governmentwide Point of Entry (GPE).
- Orally.
- RFQ for distribution through non-GPE electronic channels or through the mail.

Conditions

Given a Purchase Request, market research, requirements documents, the commerciality determination, a decision to compete the award, a decision to solicit prices (rather than rely on standing price quotations), selected evaluation factors, the selected basis for award, and use of simplified acquisition procedures.

Standard

Use the GPE to solicit quotes if cost effective and practicable.

For non-GPE purchases, solicit orally for contract at or below $25,000. If the acquisition exceeds $25,000, solicit orally (where possible), on paper or electronically. For construction contracts over $2,000, only use paper or electronic solicitations.

UNIT 16 METHOD OF PROCUREMENT OR PURCHASING

February 1999

Part C: Oral Presentations

Duties	Determine whether to require or allow oral presentations
	Establish procedural requirements in RFPs for oral presentations
Conditions	Given a decision to award based on competitive discussions.
Standard	Require oral presentations as a substitute for portions of a proposal when oral presentations would probably be effective in streamlining the source selection process, in terms of net savings to both prospective offerors and the Government.

UNIT 16 METHOD OF PROCUREMENT OR PURCHASING

Policies

FAR	*Agency Suppl.*	*Subject*
4.5		Electronic Commerce in Contracting.
6.4		Criteria for selecting sealed bidding vs. negotiations.
13.003(f)		Preference for use of electronic commerce to solicit quotes.
13.106-1		Solicitation methods for purchases over the micropurchase threshold.
13.5		Use of SAP for commercial acquisitions at or below $5 million.
14.103-1(a)		Requirement to use sealed bidding whenever the conditions in 6.401(a) are met.
14.202-4 14.202-5		Bid samples and descriptive literature.
14.5		Two-step sealed bidding.
15.102		Oral Presentations.
35.006(a)		Negotiation necessary for R&D acquisitions.
37.105		Use of sealed bidding in acquiring services under the conditions in §6.4.
37.602-3		Use of competitive negotiations to ensure selection of services that offer the best value to the Government, cost and other factors considered.[1]
52.214-20 52.214-21		Bid samples and descriptive literature.
52.214-23 thru 52.214-25		Two-step sealed bidding.

Other KSA's

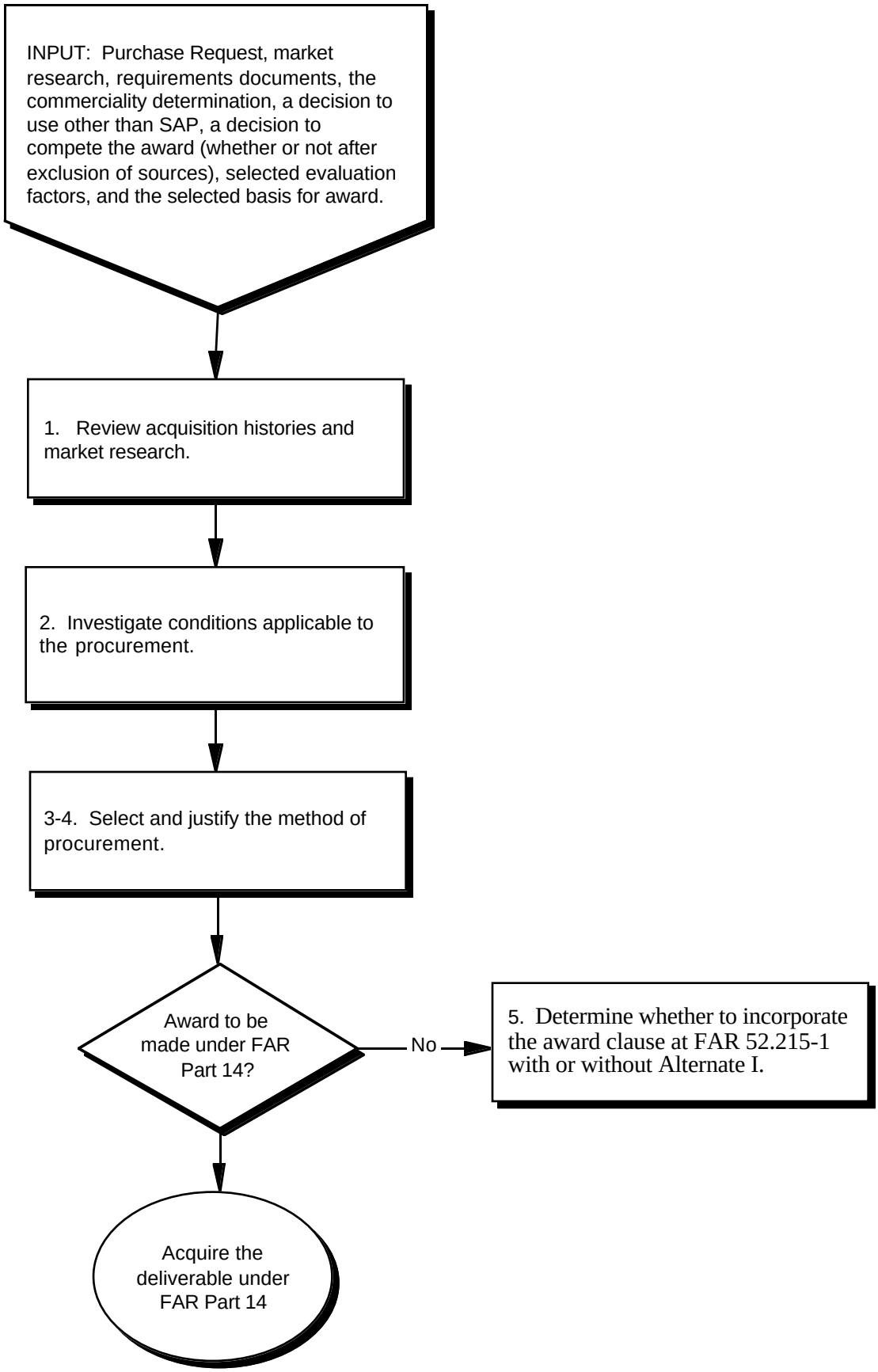
1. Knowledge of the typical period (in calendar days) necessary for sealed bidding.

2. Skill at market analysis; knowledge of physical distribution and methods for determining the production and delivery lead times of different markets (from Marketing).

Other Policies and References (Annotate As Necessary):

[1] FAC 97-01.

METHOD OF PROCUREMENT

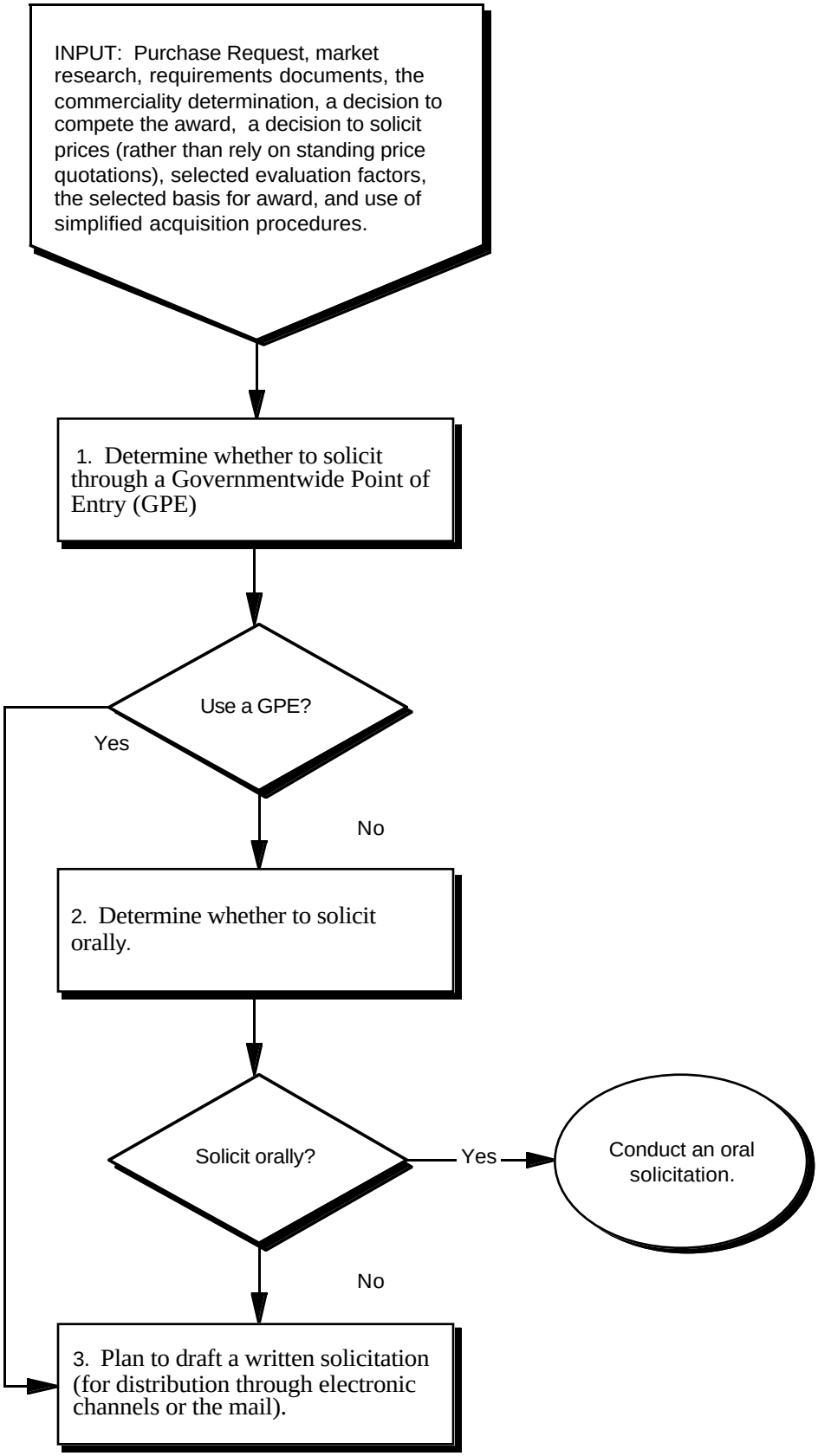


UNIT 16 METHOD OF PROCUREMENT OR PURCHASING
Part A. Method of Procurement

Tasks	Related Standards
1. Review acquisition histories and market research (per Unit 5).	A1. Correctly identify data relevant to determining the method of procurement.
2. Investigate conditions applicable to the requirement.	A2. Consistent with market data and acquisition histories, accurately determine: • Probable level of competition. • Lead-time available for making award. • Evaluation factors for award. • The probability that offers will need to be discussed with offerors and the probable scope of any such discussions. • Whether bid samples or descriptive literature would suffice, in lieu of discussions, to determine the acceptability of offered deliverables.
3. Select the method of procurement.	A3. Select sealed bidding when all of the following are true: • There is a reasonable expectation of receiving more than one sealed bid. • There is sufficient lead-time for the sealed bidding process. • Final award can be made on price and price-related factors alone. • Award can be made without discussing offers with offerors (other than to resolve a minor informality or irregularity per Unit 34 or verify bids per Unit 52). Select the award on the basis of competitive proposals (i.e., under FAR Part 15) if any one of the following is true: • There is not a reasonable expectation of receiving more than one sealed bid. • Time does not permit the solicitation, submission, and evaluation of sealed bids. • Award will in part be made on other than price and price-related factors. • Discussions with offerors are necessary and cannot be limited to the question of technical acceptability. Select two-step sealed bidding when all of the following are true: • More than one technically qualified source is expected to be available. • There is sufficient time for the two-step sealed bidding process. • Discussion of offers with offerors can be limited to determining the acceptability of the offered supplies or services. • Final award can be made on price and price-related factors alone.

Tasks	Related Standards
4. In the contract file, explain in writing the condition or conditions at FAR 6.401(a) that preclude sealed bidding.	A4. Accurately identify the condition or conditions that preclude sealed bidding.
5. When award will be on the basis of competitive proposals, determine whether to incorporate the award clause at FAR 52.215-1 with or without Alternate I.	A5. Generally allow award without discussions. Use the clause with the Alternate when discussions are inevitable (e.g., discussions are necessary in part to help the Government define the requirement; competitive negotiations are necessary to ensure selection of services that offer the best value to the Government, cost and other factors considered).

Method of Purchasing

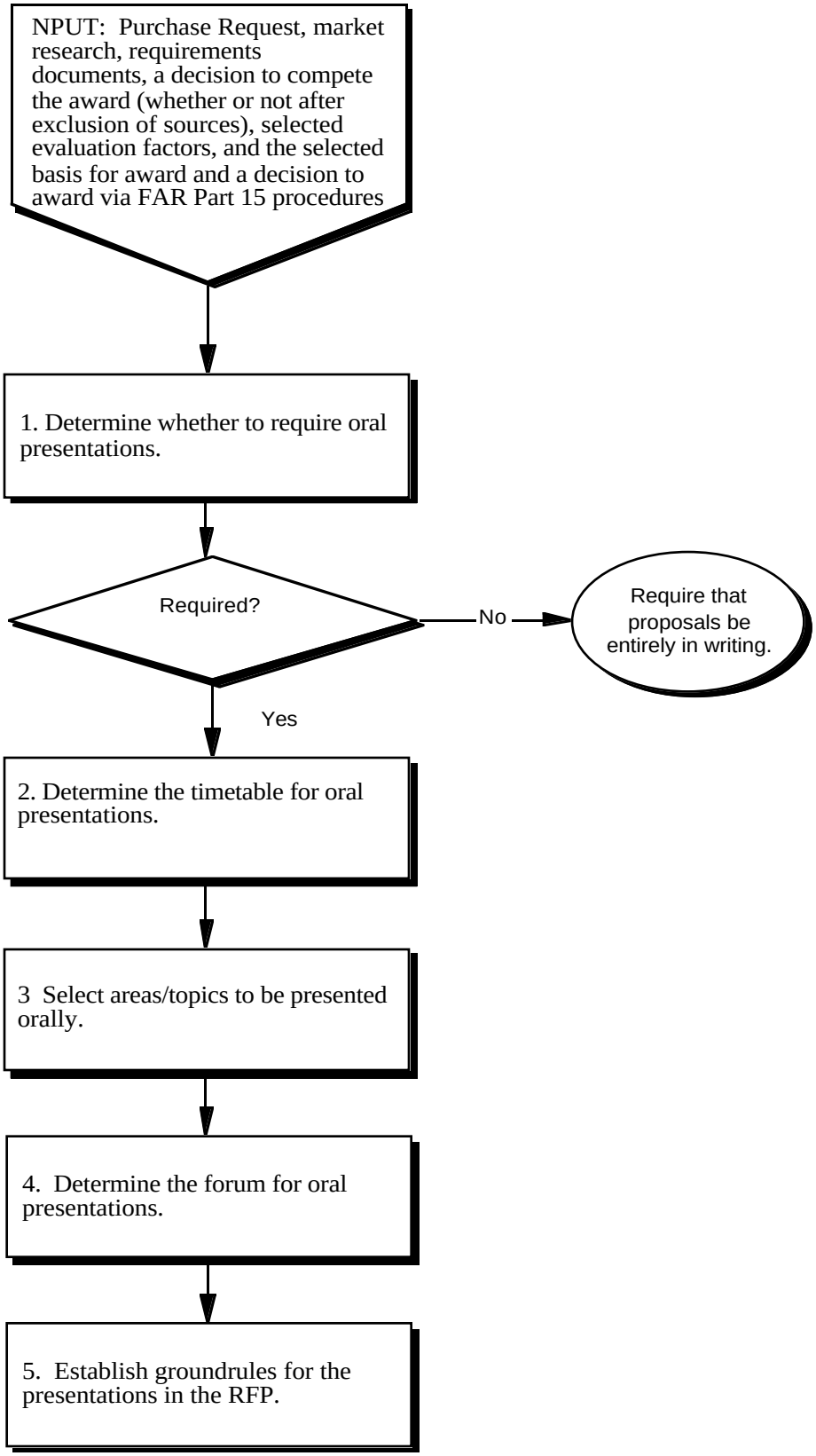


UNIT 16 METHOD OF PROCUREMENT OR PURCHASING
Part B. Method of Purchasing

Tasks	Related Standards
1. If available, determine whether to solicit through the single, Governmentwide Point of Entry (GPE) and/or FACNET.[2]	B1. Solicit through a GPE or FACNET whenever cost effective and practicable. When necessary, properly document decisions to go off GPE/FACNET.
2. Determine whether to solicit orally per Unit 25. Note: Cover FAR 5.2 as part of Unit 24.	B2. When NOT employing the GPE and/or FACNET, solicit orally to the maximum extent practicable. In particular, use oral solicitations when all of the following are true: • Oral solicitation is more efficient than soliciting through any available electronic commerce alternatives. • The action is exempt from requirements for synopsizing in the Commerce Business Daily (e.g., under $25,000 or covered by one of the exceptions to synopsizing at FAR 5.2). • There is only one or a few line items. • The requirement can be described verbally in complete, consistent, and unambiguous terms that will enable vendors to calculate and quote prices on-the-spot.
3. Otherwise, plan to draft a written solicitation per Unit 26. (For distribution through the GPE, other electronic channels, or the mail).	B3. Use written solicitations for construction contracts over $2,000.

[2] FAC 97-07.

C. Oral Presentations



UNIT 16 METHOD OF PROCUREMENT OR PURCHASING
C. Oral Presentations

Tasks	Related Standards
1. Determine whether to require oral presentations.	C1. Consider oral presentations when oral presentations have the potential to significantly reduce proposal preparation (for offerors) and evaluation (for the government) time and costs. Types of supplies and services for which oral presentations might save time and money for both parties: • Advisory and assistance services. • R&D. • Task order contracts where the key factor is capability to perform tasks yet to be determined within a broad scope of work (especially where time is a factor). • Any other type of work where the key factor is capability to perform or manage a task. Note that pre-recorded videotaped presentations that lack real-time interactive dialogue are not considered oral presentations.
2. Establish the timetable for oral presentations. • If prior to the CRD in FAR Part 15.3 source selections, in the RFP notify prospective offerors that dialogue during oral presentations will be limited to clarification (although some offerors might be contacted for pre-CRD communications to determine whether or not to include their offers in the CR). • If following the CRD, in the RFP notify prospective offerors that dialogue will include fact-finding and may include negotiations.	

Tasks	Related Standards
3. Select areas/topics to be presented orally. Potential topics: • Understanding of the requirement • Offeror's capability • Past performance • Work plans or approaches • Staffing resources • Transition plans • Sample tasks or other tests	C3. Only select areas/topics that directly relate to evaluation factors (from Unit 15). In deciding what information to obtain through an oral presentation, consider the following: (1) The Government's ability to adequately evaluate the information; (2) The need to incorporate any information into the resultant contract; (3) The impact on the efficiency of the acquisition; and (4) The impact (including cost) on small businesses. Always require offerors to submit in writing certifications, representations, and a signed offer sheet (including any exceptions to the Government's terms and conditions). If oral presentations are scheduled only after the CRD, require in writing (and/or via video-tape or other verbal/visual presentations) any information necessary for that determination. Rule of thumb: require written submission of hard data (facts) regarding an offeror's performance history, contractual commitments, and information on costs (if any); allow for oral presentation of "soft data" (e.g., capability, plans, and approaches).
4. Determine the forum for oral presentations. Among the alternatives: • On-site. • Video-conference • Teleconferencing • Internet chatrooms (if such rooms can be secured).	C4. Consider alternatives to on-site presentations when market research suggests that otherwise well qualified small business concerns could not afford to participate in on-sites.

Tasks	Related Standards
5. Establish groundrules for the presentations. The solicitation may describe: (1) The types of information to be presented orally and the associated evaluation factors that will be used (along with format and content of presentation documentation and delivery of the presentation). (2) The qualifications for personnel that will be required to provide the oral presentation(s). (3) The requirements for, and any limitations and/or prohibitions on, the use of written material or other media to supplement the oral presentations. (4) The location, date, and time for the oral presentations (describing characteristics of the presentation site). (5) The restrictions governing the time permitted for each oral presentation. (6) The scope and content of exchanges that may occur between the Government's participants and the offeror's representatives as part of the oral presentations, including whether or not discussions (see 15.306(d)) will be permitted during oral presentations.	C5. Ensure that the groundrules provide prospective offerors with information sufficient for presentation preparation. Incorporate groundrules in the RFP.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

September 1998

Duty Select the contract type or types to solicit.

Conditions Given acquisition histories, market data, and the purchase request.

Overall Standard(s) Correctly identify the factors in pricing a procurement that are the most uncertain, determine the potential risks entailed by the uncertainties, and select the type of contract that will:

- Minimize the potential risks (in terms of cost and performance) inherent in the requirement and the expected cost of contract administration (both to the Government and industry), taken together. [1]
- Provide a reasonable allocation of risk between the Government and the contractor.
- Conform to FAR Part 16 and agency requirements and limitations on the use of the different contract types.

Do not use cost-plus-a-percentage-of-cost contracts.

When contracting for commercial items under FAR Part 12, only award firm fixed price contracts, fixed price contracts with economic price adjustment, and fixed price award fee contracts when the award fee is NOT based on costs of performance.

Part A. Firm Fixed Price and Fixed Price — Level of Effort Contracts

Duty Prepare provisions and/or clauses to solicit FFP and FP-LOE offers.

Conditions Given acquisition histories, market data, the purchase request, and the decision to solicit FFP or FP-LOE offers.

Overall Standard(s) Provide notice that the Government contemplates award of an FFP contract.

Part B: Fixed Price Contracts With Economic Price Adjustment (FP-EPA)

Duty Prepare provisions and/or clauses to solicit FP-EPA offers.

Conditions Given acquisition histories, market data, the purchase request, and the decision to solicit FP-EPA offers.

Overall Standard(s) Provide notice that the Government contemplates award of an FP-EPA contract and the contemplated basis and procedure for adjusting the price.

[1] FAC 97-01. The FAR encourages selection of contract types that would have the greatest likelihood of motivating contractors to perform at optimal levels (e.g., by using performance-based incentive pricing arrangements for the performance of objectively measurable tasks when quality of performance is critical and incentives are likely to motivate the contractor and award fee pricing arrangements when contractor performance cannot be measured objectively). Such contract types minimize the risk that performance will be less than optimal, in terms of satisfying the requiring activity's functional need — but must be balanced against the cost of administering such contracts.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

September 1998

Part C: Fixed Price Incentive (FPI) Contracts

Duty	Prepare provisions and/or clauses to solicit FPI offers.
Conditions	Given acquisition histories, market data, the purchase request, and the decision to solicit FPI offers.
Overall Standard(s)	Provide notice that the Government contemplates award of an FPI contract and the contemplated basis and procedure for adjusting the price.

Part D: Fixed Price Award Fee (FP-AF) Contracts

Duty	Prepare provisions and/or clauses to solicit FP-AF offers.
Conditions	Given acquisition histories, market data, the purchase request, and the decision to solicit FP-AF offers.
Overall Standard(s)	Provide notice that the Government contemplates award of an FP-AF contract and the contemplated basis and procedure for determining the fee.

Part E: Prospective or Retroactive Redetermination (FPR) Contracts

Duty	Prepare provisions and/or clauses to solicit FPR offers.
Conditions	Given acquisition histories, market data, the purchase request, and the decision to solicit FPR offers.
Overall Standard(s)	Provide notice that the Government contemplates award of an FPR contract and the contemplated type (prospective or retroactive), periods, and procedure for redetermining the price.

Part F: Cost Plus Fixed Fee Contracts

Duty	Prepare provisions and/or clauses to solicit CPFF offers.
Conditions	Given a decision to solicit CPFF offers.
Overall Standard(s)	Provide notice that the Government contemplates award of an CPFF contract.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

September 1998

Part G: Cost Plus Incentive Fee (CPIF) Contracts	
Duty	Prepare provisions and/or clauses to solicit CPIF offers.
Conditions	Given acquisition histories, market data, the purchase request, and the decision to solicit CPIF offers.
Overall Standard(s)	Provide notice that the Government contemplates award of an CPIF contract and the contemplated basis and procedure for adjusting the fee.

Part H: Cost Plus Award Fee (CPAF) Contracts	
Duty	Prepare provisions and/or clauses to solicit CPAF offers.
Conditions	Given acquisition histories, market data, the purchase request, and the decision to solicit CPAF offers.
Overall Standard(s)	Provide notice that the Government contemplates award of an CPAF contract and the contemplated basis and procedure for determining the fee.

Part I: Cost—No Fee/Cost Sharing Contracts	
Duty	Prepare provisions and/or clauses to solicit no-fee or cost sharing offers.
Conditions	Given acquisition histories, market data, the purchase request, and the decision to solicit on a no-fee or cost sharing basis.
Overall Standard(s)	Provide notice that the Government contemplates award of a Cost—No Fee or a Cost Sharing contract.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Policies

FAR	*Agency Suppl.*	*Subject*
12.207		Types of contracts for commercial items.
13.302-1(a)		Generally use firm fixed price contracts under SAT (but Part 16 no longer includes the prohibition on using other types of contracts under SAT).
14.104		Types of contracts for sealed bidding.
16.1		Selecting contract types.
16.2		Fixed-price contracts.
16.3		Cost-reimbursement contracts.
16.4		Incentive contracts.
16.601		Time-and-materials contracts
16.602		Labor-hour contracts.
35.003(b) 35.006(b-e) 35.007(h)		Contracts types for R&D.
37.601(c) 37.602- 1(a)(3) 37.602-4		Contract types for performance-based service contracts.[2]
47.203		Transportation term contracts.
52.216-1 through 8 52.216-10 through 12 52.216-16 52.216-17		Related provisions and clauses.

Agencies may authorize use of other than firm fixed price contracts for simplified acquisitions. For example, fixed price level of effort term contracts might be authorized for investigation or study in a specific research and development area. §16.207-3 allows use of this contract type only when —

(a) The work required cannot otherwise be clearly defined;

(b) The required level of effort is identified and agreed upon in advance;

(c) There is reasonable assurance that the intended result cannot be achieved by expending less than the stipulated effort; and

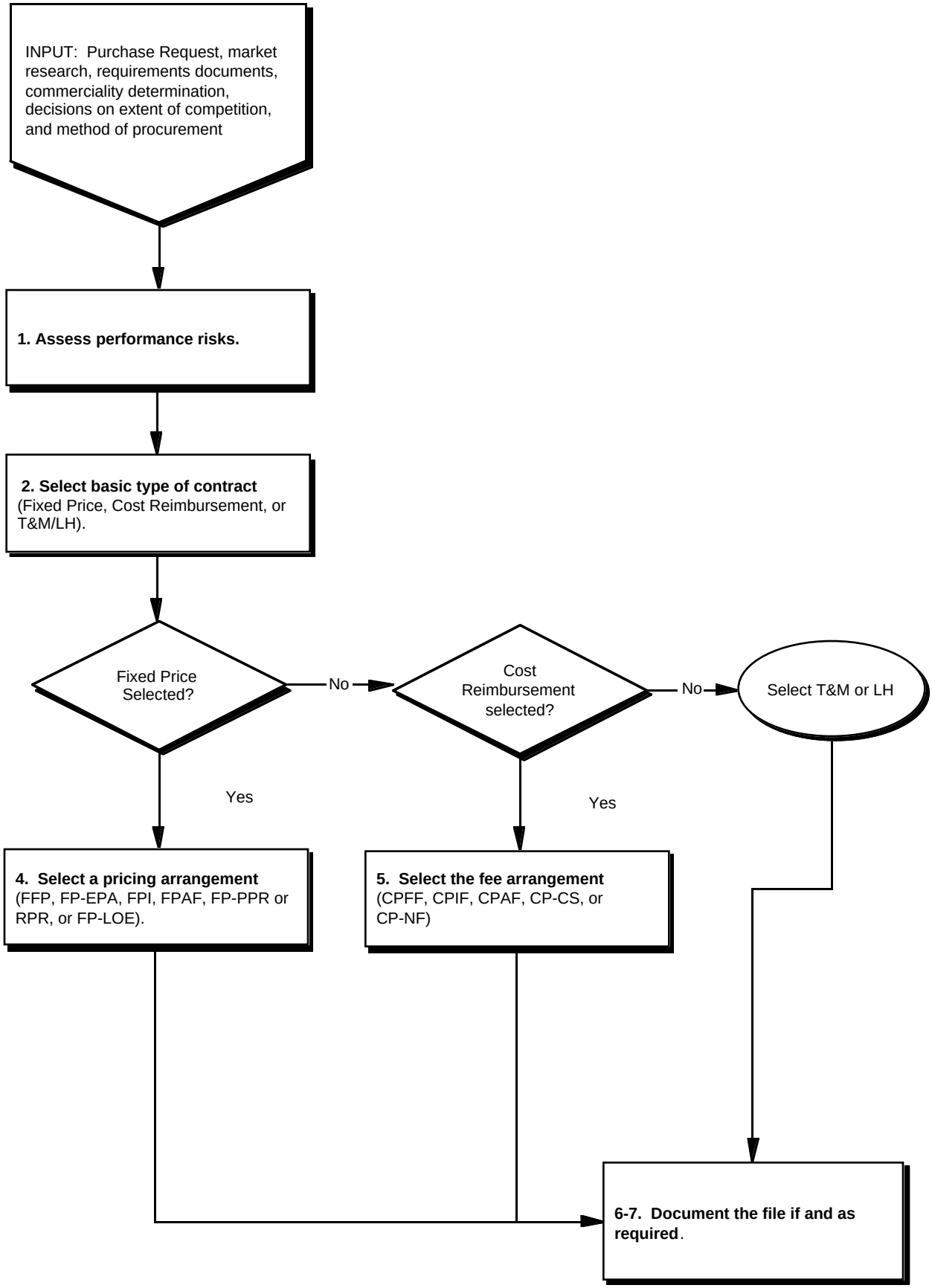
(d) The contract price is **$100,000 or less**, unless approved by the chief of the contracting office. [Emphasis added]

You do not have to document the reasons for the selected contract type for fixed price acquisitions through simplified acquisition procedures . (§16.103). Also, You are not required to incorporate the clause at §52.216-1, Type of Contract, when requesting fixed price quotes through simplified acquisition procedures. (§16.105)

Other Policies and References (Annotate As Necessary):

[2] FAC 97-01.

SELECTING THE TYPE OF CONTRACT TO SOLICIT



UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Tasks	Related Standards
1. Analyze the risks of performance.	
a. Determine whether to select firm fixed price terms and conditions for the solicitation without considering other contract types.	1a. Do not consider other contract types when: • Using either non-commercial requirements which firms in the market are experienced in meeting, • Adequate price competition is probable, • Market conditions are likely to be stable over life of the contract, and • Government or industry buyers generally have had success in using FFP terms and conditions for the same supplies or services.
b. Identify the potential technical and business risks of the acquisition. Account for: • Risks inherent in the requirement, given the: - Type of requirements documents (e.g., CID, design, performance, or functional). - Nature and complexity of the requirement. - Maturity of the requirement (e.g., extent to which the market is experienced in providing the deliverable; extent of change to specifications from prior acquisitions). - Quantity required (e.g., magnitude relative to market capacity; certainty at time of award). - Quality required and the extent to which performance incentives are likely to motivate the contractor to optimize performance when quality is critical in meeting the requiring activity's functional need.[3] - Delivery schedule (e.g., urgency; certainty at time of award). - Period of performance or length of the anticipated production run. - Stability of the technology (e.g., prospects for technological innovation during the life of the contract that might lead the Government to modify or terminate the contract). • Risks inherent in doing business with prospective contractors, given: - Probable level of competition for the contract. - The adequacy of their accounting, estimating, and other management control systems. - Their relative capability and experience (e.g., technological, organizational, etc.). - Their performance records. - The probable changes in the general level of business over the life of the contract. - The probable extent and nature of subcontracting. - Terms of concurrent contracts (if any). • Market risks: - Availability of the type and number of resources necessary for the work. - Trends in prices for labor, energy, raw materials, semi-finished goods, equipment, and other critical components. • Other risks.	1b. Identify all significant risks in estimating the cost of performing work under the contract, based on data from market research and acquisition histories (per Unit 5).

[3] FAC 97-1.

Tasks	Related Standards
c. Given the potential risks, determine the degree of certainty with which the total cost of performance and (if known) profit margins can be estimated. • Risk by risk. • Aggregate for all significant elements of risk. • In comparison to the expected additional cost of administering a type of contract other than FFP.	1c. Solicit firm-fixed-price offers or quotes when risks involved are minimal. Solicitation of other contract types depends on (i) what is at risk, (ii) the significance of the risks to the total expected cost of performance, and (iii) the relative costs of administering contract types other than FFP.
2. Select one of the basic types of contracts. **a. Fixed Price Contracts.**	2. Selection Guidelines—from FAR 16.103, 201, 301, 601, 702(b), and 703(b). Plan to award a Fixed Price contract when: • FAR Part 12 applies to the acquisition, or • The total cost of performance (especially the resources required) can be forecast with a fair to high degree of accuracy and confidence.
b. Cost Reimbursement Contracts. The Government assumes the risk for all allowable costs incurred (up to a preestablished limitation on costs). Cost reimbursement contracts are typically for research, preliminary exploration or study, or development and testing.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Cost Reimbursement contract when the resources that will be required to perform the work (e.g., labor hours, labor mix, and/or material requirements) are highly uncertain at the time of award.
c. Time and Material or Labor Hour Contracts. The Government assumes all risks except for fluctuations in per hour wage rates and indirect costs. The latter are fixed on a per hour basis. There is a "ceiling price", but it functions more like the "limitation of costs" provision of a cost reimbursement contract. If a T&M or LH contract is solicited: • Estimate the ceiling price (using techniques from Unit 37). • Determine the method of pricing material (if T&M). • Prepare the related solicitation provision(s) and clause(s).	Per FAR 52.216-1 (Type of Contract), contemplate award of a Time and Material (T&M) or Labor Hour (LH) contract when the resources that will be required to perform the work (e.g., labor hours, labor mix, and/or material requirements) are highly uncertain at the time of award. T&M/LH contracts are often used in lieu of cost reimbursement contracts for markets in which price competition typically occurs on the basis of per hour rates (e.g., repair services). Also contemplate a T&M or LH contract when the expected cost of the work is too low to justify an audit of the firm's indirect expenses.
4. For fixed price contracts, select a pricing arrangement.	4. Selection Guidelines—from FAR 16.103(b), 202-2, 203-2, 203-3, 204, 205-2, 205-3, 206-2, 206-3, 207-2, 207-3, 403(b), 403(c), 403-1(b), 403-1(c), 403-2(b), 403-2(c), and 501-2(c).

Tasks	Related Standards
a. Firm Fixed Price. The contractor assumes all risks. This is the norm for commercial products and services in price competitive markets or production contracts for mature hardware. If selected, incorporate related provision(s) and clause(s) in the solicitation (e.g., 52.216-1 for RFPs)	Per FAR 52.216-1 (Type of Contract), contemplate award of a Firm Fixed Price contract when the total cost of performance can be estimated with a high degree of accuracy and confidence. Do NOT incorporate FAR §52.216-1, Type of Contract, when requesting fixed price quotes through FAR Part 13 procedures.
b. Fixed Price with Economic Price Adjustment. The Government assumes part of the risk of market fluctuations. If selected, see Part B of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of Fixed Price with Economic Price Adjustment contract when market prices for critical categories of labor or materials: • Are likely to be unstable over the life of the contract, • Are at risk because of industrywide contingencies beyond the contractor's control, • Are significant to the overall price, and • Can be severed and covered separately in the contract.
c. Fixed Price Incentive. The Government shares part of the cost risk up to the ceiling price, after which the contractor assumes all risks. • Fixed or successive type. • Formula can link price not only to costs but also to delivery and/or other objective indicators of performance. If selected, see Part C of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Fixed Price Incentive contract when: • FAR Part 12 does not apply, • The expected cost of performance is moderately uncertain, • Actual costs will probably not exceed a specified ceiling price (i.e., the ceiling price covers the most probable risks inherent in the nature of the work), • The Government needs a firm commitment from the contractor to deliver the supplies or services within that ceiling price, and • The contract price is high enough to justify the additional costs of administering the FPI terms and conditions. The FPI formula can link price not only to costs but also to other objective indicators of performance (e.g., performance benchmarks or standard — such as the quality levels of services to be provided, and the like)[4]. Only contemplate such links when: • A mathematical relationship can be established between the price and the indicators of performance, • Establishing such relationships are likely to have a meaningful impact on the contractor's management of the work, and • The expected performance benefits are of sufficient magnitude to justify the additional costs of administering the FPI terms and conditions.

[4] FAC 97-1.

Tasks	Related Standards
d. Fixed Price Award Fee. An additional amount of fee (i.e., percentage of price) may be added to the price, based on judgmental measures of productivity. Such contracts are especially suitable for services. If selected, see Part D of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Fixed Price Award Fee contract when: • FAR Part 12 does not apply (or, if it applies, the award fee would be based solely on factors other than cost), • Performance indicators (i.e., inspection and acceptance criteria) are inherently judgmental (e.g., what is "clean"), with a corresponding risk that the end user will not be fully satisfied, • Judgmental standards can be fairly applied by an Award Fee panel, • Expected benefits are likely to exceed the expected costs of conducting award-fee evaluations, • The potential fee is large enough to both provide a meaningful incentive and justify the additional costs of administering the award fee terms and conditions, and • An individual above the level of the contracting officer approves the use of this type of contract.
e. Fixed Price with Prospective Price Redetermination; Fixed Ceiling Price with Retroactive Price Redetermination. A prospective redetermination contract fixes the price only for the initial period of performance and allows a new price to be negotiated prior to each succeeding period; a retroactive redetermination contract sets a ceiling price and calls for negotiating the actual cost of performance (not to exceed the ceiling) after performance. If selected, see Part E of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Fixed Price with Prospective Price Redetermination when: • FAR Part 12 does not apply, • The costs of performance can be estimated with confidence only for the first year of performance, • The Government needs a firm commitment from the contractor to deliver the supplies or services during subsequent years, and • The contract price is high enough to justify the additional costs of administering the FPPRD terms and conditions. Per FAR 52.216-1 (Type of Contract), contemplate award of a Fixed Ceiling Price with Retroactive Price Redetermination when the risks and uncertainties preclude a fixed price incentive contract but you nonetheless need to obligate performance by the contractor within a maximum ceiling price. Retroactive redetermination contracts are limited to R&D projects under $100,000.

Tasks	Related Standards
f. Firm Fixed Price—Level Of Effort. Such a contract requires the contractor to provide a specified effort, over a stated period of time, in return for a fixed dollar amount. Used for investigations or studies for which the Government can only state the work to be performed in general terms. If selected, incorporate related provision(s) and clause(s) in the solicitation (e.g., 52.216-1 for RFPs)	Per FAR 52.216-1 (Type of Contract), contemplate award of a Firm Fixed Price—Level Of Effort when: • FAR Part 12 does not apply, • The work required cannot otherwise be clearly defined, • The required level of effort is identified and agreed upon in advance, • There is reasonable assurance that the intended result cannot be achieved by expending less than the stipulated effort, and • The contract price is $100,000 or less (unless approved by the chief of the contracting office.
5. For cost reimbursement contracts, select a fee arrangement.	5. Selection Guidelines—from FAR 16.302, 303, 304, 305, 306, 404-1(b), 404-1(c), 404-2(b), and 404-2(c). Note--you can combine types of fee arrangements (e.g., incentive and award).
a. Cost Plus Fixed Fee. If selected, see Part F of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Cost Plus Fixed Fee contract when relating fee to performance (e.g., to actual costs) would be unworkable or (compared to the cost of administering an award fee or incentive contract) of marginal utility.
b. Cost Plus Incentive Fee. Establishes formula to relate fee to objective measures of performance (e.g., actual costs, delivery dates, performance benchmarks or standard — such as the quality levels of services to be provided, and the like).[5] If selected, see Part G of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Cost Plus Incentive Fee contract when: • A mathematical relationship can be established between the fee and critical aspects of performance, and • The potential fee is large enough to both provide a meaningful incentive and justify the additional costs of administering the incentive fee terms and conditions.
c. Cost Plus Award Fee. An additional amount of fee may be added to a base fee, based on judgmental measures of productivity. If selected, see Part H of this Unit for steps in soliciting this type of pricing arrangement.	Per FAR 52.216-1 (Type of Contract), contemplate award of a Cost Plus Award Fee contract when: • Objective incentive targets are not feasible for critical aspects of performance, • Judgmental standards can be fairly applied by an Award Fee panel, and • The potential fee is large enough to both provide a meaningful incentive and justify the additional costs of administering the award fee terms and conditions.

[5] FAC 97-1.

Tasks	Related Standards
d. Cost-No Fee & Cost Sharing. Contractor works without fee or shares cost of performance with the Government. If selected, incorporate related provision(s) and clause(s) in the solicitation (e.g., 52.216-1 for RFPs)	Per FAR 52.216-1 (Type of Contract), contemplate award of a Cost No Fee or Cost Sharing contract when the contractor: • Expects substantial compensating benefits for absorbing part of the costs and/or foregoing the fee, (e.g., such as being able to develop commercial markets for products that result from Federal research), or, • Is a nonprofit entity.
6. Determine whether it will be necessary to verify the contractor's accounting system (see Unit 76).	6. Verify the contractor's accounting system only when required for the selected type of contract.
7. Document the rationale for the selected type of contract and draft any necessary determination and findings.	7. Prepare a determination and finding or otherwise document the file only when required for the selected type of contract. The determination and finding or documentation must conform to FAR requirements for that type of contract.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part B: Fixed Price Contracts With Economic Price Adjustment (FP-EPA)

Tasks	Related Standards
1. Determine the basis for adjusting prices. • Established (i.e., catalog or market prices for standard supplies. • Actual costs of labor or material. • Cost indices of labor or material.	B1. Base the adjustment on established (i.e., catalog or market prices) when procuring standard supplies . Also base the adjustment on established prices for semi-standard supplies if prices for such supplies can be reasonable related to the prices of nearly equivalent standard supplies. Verify the catalog or market prices (per Unit 37). Base the adjustment on actual costs of labor or material when (1) no major element of design engineering or developmental work is involved and (2) one or more identifiable labor or material cost factors are subject to change. Base adjustments on indices when (1) the contract involves an extended period of performance with significant costs to be incurred beyond one year after the commencement of performance, (2) the contract amount subject to adjustment is substantial, and (3) the economic variables for labor and materials are too unstable to permit a reasonable division of risk between the Government and the contractor without such a clause.
2. If prices are to be adjusted based on established prices, select the matching contract clause for the solicitation.	
3. If prices are to be adjusted on actual costs of labor or material, prepare the related terms and conditions for incorporation in the solicitation. • The matching contract clause. • Types of labor and materials subject to adjustment. • Labor rates and unit prices that may be increased or decreased. • Quantities of the specified labor and materials allocable to each unit to be delivered under the contract.	
4. If prices are to be adjusted by indices, prepare the related terms and conditions for incorporation in the solicitation. • The matching contract clause (Note: there is no FAR clause for this type of contract). • Estimated rate of labor and/or material usage as a percentage of the total contract price (based on techniques and data from Units 5 and 40). • Index (or indices), base period(s), and times/events for adjustment.	B4. Usage rates should accurately reflect market data on the average expenditure profile of the industry. Usage rates should exclude categories of labor and materials that are not likely to affected by fluctuations in the economy. Generally use only one rate for labor costs (direct and indirect) and one for material costs (direct and indirect). Select the index or indices that best reflected fluctuations in labor and material prices for the industry.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part C: Fixed Price Incentive (FPI) Contracts

Tasks	Related Standards
1. Determine whether to use a Firm Target or Successive Targets.	
2. Determine which indicators of performance to employ (e.g., cost, delivery, etc.).	
3. Select the related provision(s) and clause(s) for the solicitation (including intent to award an incentive contract).	
4. Complete the provisions and clauses, identifying the proposed indicator or indicators (i.e., cost and/or performance) for adjusting price. For Successive Targets, also disclose the proposed production point at which the firm target cost and profit would be negotiated.	C4. Do not disclose the Government's negotiation position on target cost, target profit, price ceiling, or the profit adjustment formula.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part D: Fixed Price Award Fee (FP-AF) Contracts

Tasks	Related Standards
1. Determine which indicators of performance to employ.	
2. Select the related solicitation provision(s) and clause(s) (including intent to award an award fee contract).	
3. Complete the related provisions and clauses for the RFP. Identify: • The contemplated performance standards and procedures for adjusting the fee. • Evaluation periods. • The percentage of the price that, at maximum, will constitute the award fee.	D3. Expressly exclude from the operation of the Disputes clause any disagreement by the contractor concerning the amount of the award fee.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part E: Prospective or Retroactive Redetermination (FPR) Contracts

Tasks	Related Standards
1. Select the related solicitation provision(s) and clause(s) (including intent to award a redeterminable contract).	
2. Complete the provisions/clauses for prospective redeterminables. Identify: • The initial period and proposed subsequent periods (at least twelve months apart) for redetermination. • When the contractor must submit a proposal and related data for the redeterminations.	
3. Complete the provisions/clauses for retroactive redeterminables. Identify: • When the redetermination would take place. • When the contractor must submit a proposal and related data for the redetermination.	

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part F: Cost Plus Fixed Fee Contracts

Tasks	Related Standards
1. Determine whether to use a completion or term form.	
2. Select the related provision(s) and clause(s) for the solicitation (including a statement of intent to award a fixed fee contract).	

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part G: Cost Plus Incentive Fee Contracts

Tasks	Related Standards
1. Determine which indicators of performance to employ (e.g., cost, delivery, etc.).	G1. Apply incentives only to critical aspects of performance (i.e., cost control).
2. Select the related provision(s) and clause(s) for the solicitation (including statement of intent to award an incentive fee contract).	
3. Complete the selected provisions and clauses, identifying the proposed indicator or indicators (i.e., cost and/or performance) for adjusting the fee.	G3. Do not disclose the Government's negotiation position on target cost, target fee, or the fee adjustment formula.

UNIT 17 CONTRACT TYPES — PRICING ARRANGEMENTS

Part H: Cost Plus Award Fee Contracts

Tasks	Related Standards
1. Determine which indicators of performance to employ.	
2. Select the related provision(s) and clause(s) for the solicitation (including statement of intent to award an award fee contract).	
3. Complete the selected provisions and clauses. Identify: • The proposed performance standards for adjusting fee. • The maximum percentage of the fee that will constitute the award fee.	H3. The award fee clause must be (a) compatible with the clause at 52.216-7 and (b) expressly exclude from the operation of the Disputes clause any disagreement by the contractor concerning the amount of the award fee.

Tasks	Related Standards

CHART OF CONTRACT TYPES (UNIT 17—APPENDIX I)

	FIRM FIXED PRICE (FFP)	INDEFINITE DELIVERY (ID)	FIXED PRICE ECON. PRICE ADJUSTMENT (FPEPA)	FIXED PRICE AWARD FEE (FPAF)	FP PROSPECTIVE REDETERMINABLE (FPPRD)
Principal Risk To Be Mitigated	None. Costs of performance can be estimated with a high degree of confidence. Thus, the contractor assumes the risk.	At the time of award, delivery requirements are not certain. Use: • Definite Quantity (if the required quantity is known and funded at the time of award). • Indefinite Quantity (if the minimum quantity required is known and funded at award.) • Requirements (if no commitment on quantity is possible at award.)	Market prices for required labor and/or materials are likely to be highly unstable over the life of contract.	Acceptance criteria are inherently judgmental, with a corresponding risk that the end user will not be fully satisfied.	Costs of performance can be estimated with confidence only for the first year of performance.
Use When:	• The requirement is well-defined. • Contractors are experienced in meeting it. • Market conditions are stable. • Financial risks are otherwise insignificant.		The market prices at risk are severable and significant. The risk stems from industry-wide contingencies beyond the contractor's control. The dollars at risk outweigh the administrative burdens of an FPEPA.	Judgmental standards can be fairly applied by an Award Fee panel. The potential fee is large enough to both: • Provide a meaningful incentive. • Justify the administrative burdens of an FPAF.	The Government needs a firm commitment from the contractor to deliver the supplies or services during subsequent years. The dollars at risk outweigh the administrative burdens of an FPPRD.
Elements	A firm fixed price for each line item or one or more groupings of line items.	• "Per unit" price. • Performance period. • Ordering activities and delivery points. • Maximum or minimum limit (if any) on each order. • Extent of each party's commitment on quantity.	A fixed price, ceiling on upward adjustment, and a formula for adjusting the price up or down based on: • Established prices. • Actual costs of the labor or materials. • Labor or material indices.	• A firm fixed price. • Standards for evaluating performance. • Procedures for calculating a "fee" based on performance against the standards.[6]	• Fixed price for the first period. • Proposed subsequent periods (at least 12 months apart). • Timetable for pricing the next period(s).
The Contractor Is Obliged To:	Provide an acceptable deliverable at the time, place, and price specified in the contract.	Provide acceptable deliverables at the per unit price when and where specified in each order, within the contractual ordering limits.	Provide an acceptable deliverable at the time and place specified in the contract at the adjusted price.	Perform at the time, place, and the price fixed in the contract.	Provide acceptable deliverables at the time and place specified in the contract at the price established for each period.
Contractor's Incentive *(other than maximizing Goodwill)* [7]	Generally makes a dollar of profit for every dollar that costs are reduced.	Generally makes a dollar of profit for every dollar that per unit costs are reduced.	Generally makes a dollar of profit for every dollar that costs are reduced.	Generally makes a dollar of profit for every dollar that costs are reduced; earns an additional fee for satisfying the performance standards.	For the period of performance, makes a dollar of profit for every dollar that costs are reduced.
A Typical Application	Commercial supplies and services.	Long-term contracts for commercial supplies and support services.	Long-term contracts for commercial supplies during a period of high inflation.	Installation support services.	Long-term production of spare parts for a major system.
Principal Limitations In Far Parts 16, 32, 35, and 52	Generally not appropriate for R&D.	Per unit price may only be FFP, FPEPA, FPPRD, or catalog/ market based. Under a Req. contract, must buy it from that contractor .	Must be justified.	Must be negotiated.	Must be negotiated. Contractor needs an adequate accounting system. Prompt redeterminations.
Variants	Firm Fixed Price Level of Effort				Retroactive Redetermination

[6]The amount of the award fee is not subject to the Disputes Clause.

[7]Goodwill being the value of the name, reputation, location and other intangible assets of a firm.

CHART OF CONTRACT TYPES (UNIT 17—APPENDIX I)

FIXED PRICE INCENTIVE (FPI)	COST PLUS FIXED FEE (CPFF)	COST PLUS INCENTIVE FEE (CPIF)	COST PLUS AWARD FEE (CPAF)	COST OR COST SHARING (C/CS)	TIME & MATERIALS (T&M)
Labor or material requirements for the work are moderately uncertain. Hence, the Government assumes part of the risk.	Labor hours, labor mix, and/or material requirements (among other things) necessary to perform are highly uncertain and speculative. Hence, the Government assumes the risks inherent in the contract—benefiting if the actual cost is lower than the expected cost; losing if the work cannot be completed within the expected cost of performance. Some cost type contracts include procedures for raising or lowering the fee as an incentive for the contractor to perform at lower cost and/or attain performance goals.				
A ceiling price can be established that covers the most probable risks inherent in the nature of the work. The proposed profit sharing formula would motivate the contractor to control costs and meet other objectives.	Relating fee to performance (e.g., to actual costs) would be unworkable or of marginal utility.	A objective relationship can be established between the fee and such measures of performance as actual costs, delivery dates, performance benchmarks, and the like.	Objective targets are not feasible for critical aspects of performance. Judgmental standards can be fairly applied.[1] The potential fee would provide a meaningful incentive.	• The contractor expects substantial compensating benefits for absorbing part of the costs and/or foregoing fee, or • The vendor is a nonprofit entity.	Costs are too low to justify an audit of the contractor's indirect expenses.
• A ceiling price. • Target cost. • Target profit. • Delivery, quality, and/or other performance targets (optional) • A profit sharing formula.	• Target cost. • A fixed fee.	• Target cost. • Performance targets (optional) • Minimum, maximum, and target fee. • A formula for adjusting fee based on actual costs and/or performance.	• Target cost. • Standards for evaluating performance. • A base and maximum fee. • Procedures for adjusting the fee based on performance against standards.	• Target cost. • If CS, an agreement on the Government's share of the cost. • No fee.	• A ceiling price. • A per hour labor rate that also covers overhead and profit. • Provisions for reimbursing direct material costs.
Provide an acceptable deliverable at the time and place specified in the contract at or below the ceiling price.	Make a good faith effort to meet the Government's needs within the estimated cost in the Schedule.				Make a good faith effort to meet the Government's needs within the "ceiling price."
Realizes a higher profit by completing the work below the ceiling price and/or by meeting objective performance targets.	Realizes a higher rate of return (i.e., fee divided by total cost) as total cost decreases.	Realizes a higher fee by completing the work at a lower cost and/or by meeting other objective performance targets.	Realizes a higher fee by meeting judgmental performance standards.	If CS, shares in the cost of providing a deliverable of mutual benefit.	
Production of a major system based on a prototype.	Research study.	Research and development of the prototype for a major system.	Large scale research study.	Joint research with educational institutions.	Emergency repairs to heating plants and aircraft engines.
Must be negotiated. Contractor needs an adequate accounting system. Targets must be supported by cost data.	Must be negotiated. The contractor must have an adequate accounting system. The Government must closely monitor the contractor's work to ensure use of efficient methods and cost controls. There are statutory and regulatory limits on the fees that may be negotiated for cost plus fixed fee contracts. Must include the applicable "Limitation of Cost" clause from FAR 52.232-20 through 23.				Must be justified. and negotiated. The Government must closely monitor the contractor's work to ensure efficient performance.
Firm or Successive Targets	Completion or Term.				Labor Hour

CHART OF CONTRACT TYPES (UNIT 17—APPENDIX I)

UNIT 18 RECURRING REQUIREMENTS

September 1998

Duty	Provide for recurring requirements through blanket purchase agreements, standing price quotations, options, indefinite delivery terms and conditions, multi-year terms and conditions, or basic ordering agreements.
Conditions	Given Purchase Requests and data on the market.
Overall Standard(s)	Provide for recurring requirements only when such provisions would lower the expected cost to the Government of meeting such requirements. Identify and establish the optimum terms and conditions for acquiring recurring requirements.

UNIT 18 RECURRING REQUIREMENTS

Policies

FAR	*Agency Suppl.*	*Subject*
3.501		Buy-in pricing.
8.404(b)(4)		Establishing Federal Supply Schedule BPAs.[1]
13.103		Standing price quotations.
13.106-1		Options under SAP.
13.303		Blanket Purchase Agreements.
16.5		Indefinite delivery contracts.
16.7		Agreements.
17.1		Multiyear contracting.
17.2		Options.
35.015(b)		Use of basic agreements for R&D.
52.216-18 through 22		Indefinite delivery provisions and clauses.
52.217-2		Multiyear contract cancellation.
52.217-3 - 9		Option clauses.

Other KSA's

1. Knowledge of the budget process and when each type of appropriation is applicable; knowledge of Anti-Deficiency Act.

2. Knowledge of when obligation of funds occurs during the procurement action.

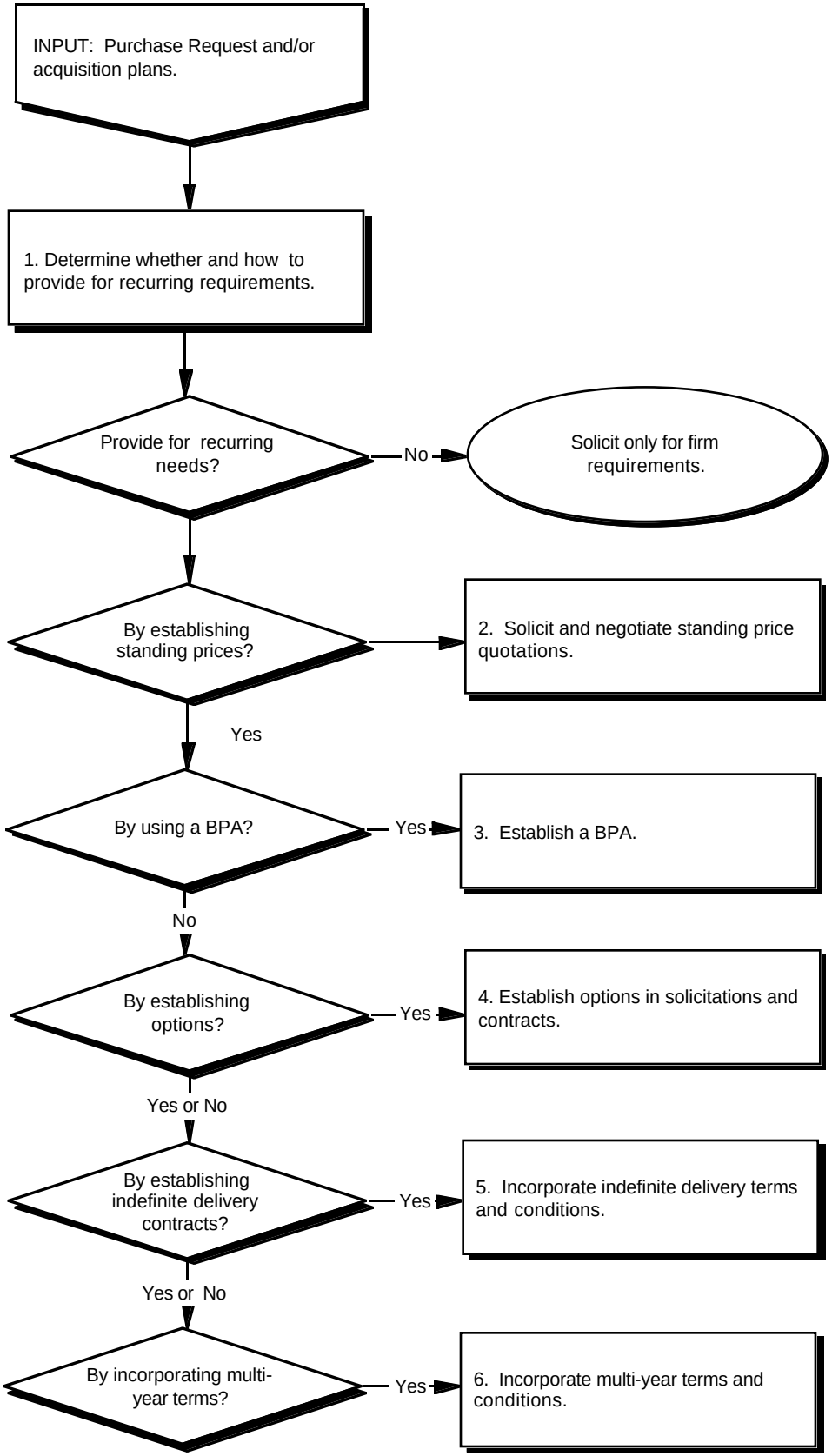
3. Knowledge of sources of data on market prices; skill at forecasting market prices and analyzing the pricing decisions of business entities, in terms of determining whether the realism of amounts obligated against a requirement.

4. Knowledge of the relationship between line and staff authority; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers.

Other Policies and References (Annotate As Necessary):

[1] FAC 97-01.

UNIT 18 RECURRING REQUIREMENTS



UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards
1. Determine whether and how to provide for recurring requirements. Alternatives: • Options. • Standing price quotations. • Blanket Purchase Agreements (BPAs) • Basic Ordering Agreements (BOAs) • Basic Agreements (BAs). • A definite quantity contract. • A task or delivery order contract. • Multi-year contracting. • Some combination of the above. • None of the above.	Use an option(s) if: • The option would be for quantities or performance over and above the known firm requirements for which funds are available,[2] • An option would better meet the "need" than initiating a new competitive acquisition at a later date,[3] • An option would better meet the "need" than an indefinite delivery contract (although such contracts can include options), • Market conditions are likely to be stable enough to preclude putting the contractor at undue risk, and • Market prices are not likely to change substantially during the option period. Solicit and negotiate standing prices: • In combination with BPAs, to pre-price calls, or as a stand alone method for streamlining the process of contracting for recurring requirements. • When planning to buy repeated quantities of the same products under SAT (and the expected cumulative amount will not exceed SAT). • Prices are expected to be stable over the buying period. Use BPAs when: • The contracting activity will purchase a wide variety of items in a broad class of goods (e.g., hardware) but exact items, quantities, and delivery requirements are not known in advance and may vary considerably. • Individual requirements will range from $2,500 to the Simplified Acquisition Threshold or $5 million for commercial items. • BPA calls would be more cost-effective than Purchase Orders.

[2]Even when there is a firm, funded requirement, you may use an option if: (i) The basic quantity is a learning or testing quantity and (ii) Competition for the option would be impracticable after award of the initial contract.
[3]Per FAR 17.202(b)(1), if: (i) The option's delivery date is too close at hand for a new competitive acquisition or (ii) the "option" quantity is too small to permit other firms to offer prices that are competitive with the price that can be offered by the original awardee (given the startup costs of a new production run).

UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards
	Only consider a Basic Ordering Agreement when: • A BPA cannot be used, • An exception to full and open competition will probably apply to the orders (e.g., because (i) the contractor is the only available, responsible supplier for weapon system spares and repairs or (ii) because orders are likely to be placed under urgent conditions),[4] • The resources required for each order cannot be forecast with confidence prior to the placement of the order, and • The quantities to be procured per each designated location and/or delivery schedules are likely to be unstable or unknown over the life of the agreement and are significant to overall price. Risks are deferred until each individual order is placed.
	Establish a Basic Agreement when a substantial number of separate contracts may be awarded to a contractor over the given period and significant recurring negotiation problems are likely. Do not cite appropriations, obligate funds, promise (explicitly or implicitly) to place orders or contracts with the concern, or otherwise restrict competition. Review every basic agreement at least annually to ensure continued conformance with Governmentwide and agency policies.
	Per FAR 52.216-1 (Type of Contract), contemplate award of a Definite Quantity/ Indefinite Delivery contract when: • The required quantity is known and funded at the time of award, • The delivery schedule is not firm, and • The supplies or services are regularly available (or can be made available upon short notice).

[4] In theory, you may use a BOA even when full and open competition is required — BUT each and every individual order has to be synopsized in the Commerce Business Daily and processed as RFPs are issued and processed, which thus robs the BOA of any utility vis-à-vis using an RFP.

UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards
	Contemplate award of a task or delivery order contract under either one of the following circumstances: 1. The criteria apply for using an Indefinite Quantity contract: • The minimum quantity or tasks to be ordered are known and funded at the time of award, and • The Government will probably order additional quantities or tasks during the period of performance. 2. The criterion applies for using a Requirements Contract — the Government can make no commitment at the time of award (i.e., when the Government expects to place orders for a significant number of items or tasks but cannot predetermine the precise quantities or tasks that at minimum will be ordered).

UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards
	Use multiyear contracting when: a. Noyear or multiyear funds are available (or multiyear contracting is specifically authorized by statute). b. Funds are likely to be available throughout the contract period at levels above the cancellation ceiling, c. You expect no substantial change in the minimum need (i.e., in the production rate, acquisition rate, and total requirement) during the contemplated contract period. d. You plan to award a firm fixed price, fixed price with economic price adjustment, or fixed-priced incentive contract, and e. A multiyear contract would probably cost less than a string of one-year contracts, for such reasons as: - Fewer contracts to award and administer. - Greater standardization. - No annual startup costs, preproduction testing costs, make-ready expenses, phase-out costs, and the like. - Stabilization of the contractor's workforce. - Incurrence only <u>once</u> of the costs of establishing and verifying a quality assurance system. - Submission of highly competitive offers from firms that would have passed on the chance to compete for a one year contract (given start-up costs and other barriers to entering the market). - Greater incentives for contractor investments in facilities, equipment, and manufacturing technology.
2. Establish and maintain standing price quotations.	
3. Establish BPAs. • Determine the scope of the BPA (i.e., limited or unlimited). • Determine the dates of applicability. • Identify officials authorized to call against the BPA. • Identify the dollar limitation for each individual purchase. • Determine billing procedures. • Draft the BPA. • Select responsible contractors for concurrent BPAs. • Obtain the BPA number. • Complete and execute the BPA.	3. Include all terms and clauses required by FAR 13.303-4. A BPA may be limited to individual items or commodity groups or classes, or it may be unlimited. To the extent practical, establish concurrent BPAs with multiple sources for the same requirement. Select firms that are dependable and consistently lower in price than other firms dealing in the same commodities. Federal Supply Schedule BPAs should also address the frequency of ordering and invoicing, discounts, and delivery locations and times.

UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards
Establish BOAs • Establish the scope of work. • Develop a method for pricing each order (specifying that disagreements on the price of unpriced orders are subject to the Disputes clause in the Basic Ordering Agreement). • Develop delivery terms and conditions (or the method for determining the delivery terms and conditions). • Identify Government activities that will be authorized to place orders. • Determine the point at which each order becomes a binding contract. • Identify details on fast payment procedures required by 13.303(b) if such procedures are to apply to the orders. • Prepare terms and conditions for the Basic Ordering Agreement, to be negotiated with the contractors.	
Establish Basic Agreements. • Select FAR clauses to include in the agreement. • Draft the agreement, including a provision that either party can discontinue its future applicability upon 30 day's written notice. • Incorporate the terms and conditions of the basic agreement in subsequent contracts, either by reference or as an attachment.	
4. Establish options in contracts. Include: • Required FAR clauses and provisions. • Period during which the option may be exercised. • Nature of the option (e.g., percentage of specific line items, increase in specific line items, or additional numbered line items). • Basis of evaluation (e.g., inclusive or exclusive of the option and whether the option may be exercised at time of award). • How options are to be priced and evaluated.	4. Decisions must comply with FAR 17.202, 207, and 208. Document rationale for options.

UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards
5. Establish terms and conditions for definite quantity contracts. • Identify FAR provision(s) and clause(s) required by FAR Part 16. • Identify the name(s) of the activity or activities authorized to place orders. • Determine whether to provide authority for oral orders (optional). • Establish the maximum and/or minimum quantities that may be included on any one order. • Prepare, complete, and/or incorporate the related provisions and clauses.	5. If oral orders are to be authorized, the contract must also provide procedures for obligating funds and written confirmation of the oral orders.
6. Establish task or delivery order contracts.	6. See Unit 60 for details on establishing such contracts.
7. Establish multi-year terms and conditions. • Required FAR clauses and provisions. • Requirements for the first program year and each subsequent year. • Whether to require level unit prices. • Basis for evaluating offers (e.g., price for the first year's requirements, price for the total multiyear requirements, or both) • Cancellation ceilings (percentage or dollar basis) and dates.	7. Decisions must comply with FAR 17.1. Document rationale for multi-year terms and conditions.

UNIT 18 RECURRING REQUIREMENTS

Tasks	Related Standards

UNIT 19 UNPRICED CONTRACTS

September 1998

Part A: Unpriced Purchase Orders

Duty	Prepare unpriced orders
Conditions	Given the purchase request, market data, and a decision to use simplified acquisition procedures.
Overall Standard(s)	Use unpriced orders only (1) when impractical to obtain pricing in advance of issuance of the purchase order and (2) risks of using unpriced orders are relatively insignificant.

Certification for Part B: Letter Contracts

Duty	Prepare and definitize a letter contract.
Conditions	Given the purchase request, market data, and a decision to use FAR Part 15 procedures.
Overall Standard(s)	Use letter contracts when the Government needs immediate performance and time doesn't permit negotiation of definitive contract. The Government's commitment does not exceed available funds or 50% of the total estimated cost of a definitive contract without advance approval by the official that authorized the letter contract. The letter contract is definitized within 180 days or completion of 40% of the work to be performed, whichever occurs first.

UNIT 19 UNPRICED CONTRACTS

Policies

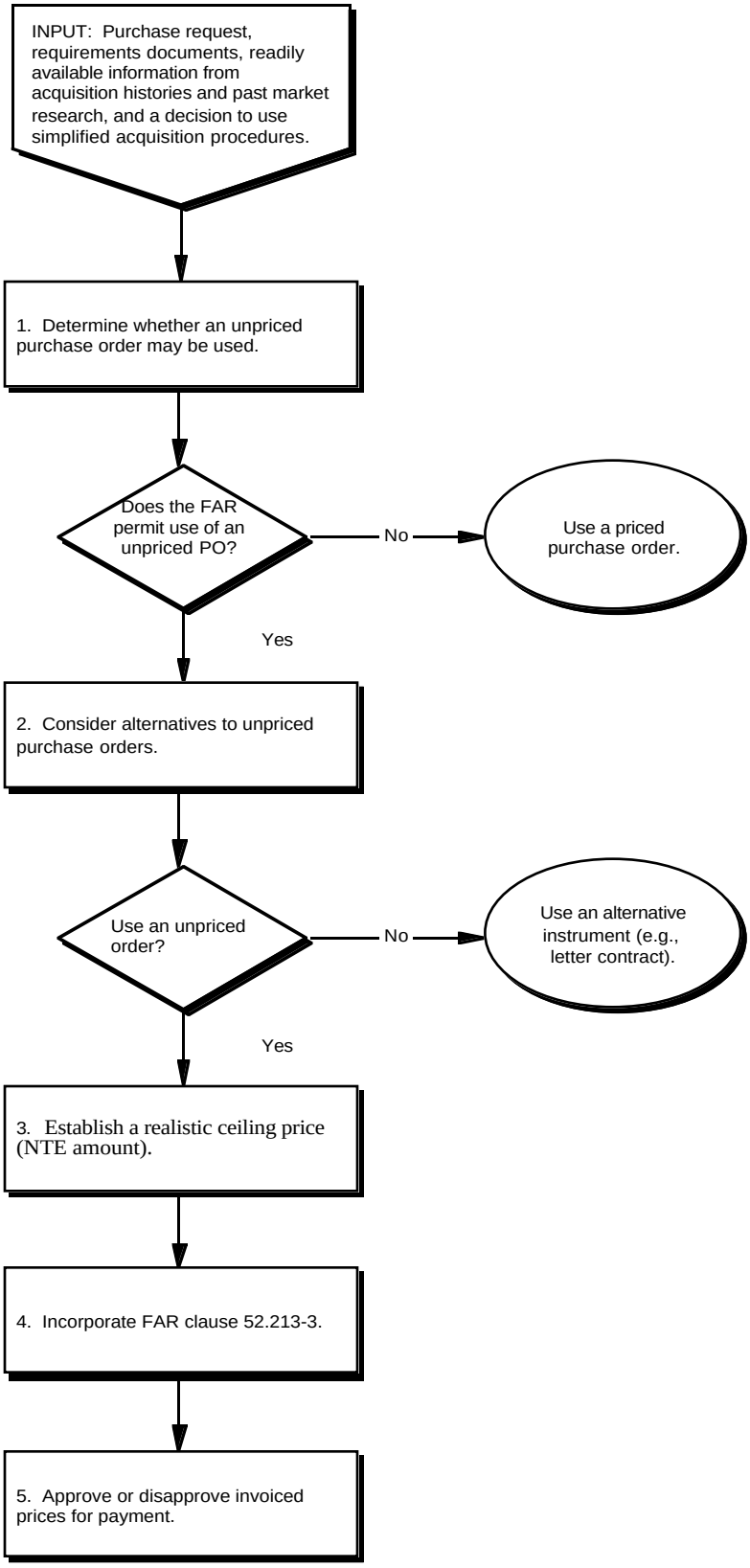
FAR	*Agency Suppl.*	*Subject*
13.302-2		Unpriced purchase orders.
16.603		Letter contracts.
52.213-3 & 52.216-23 through 26		Related clauses.

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

UNPRICED ORDERS



UNIT 19 UNPRICED CONTRACTS

Part A. Unpriced Purchase Orders

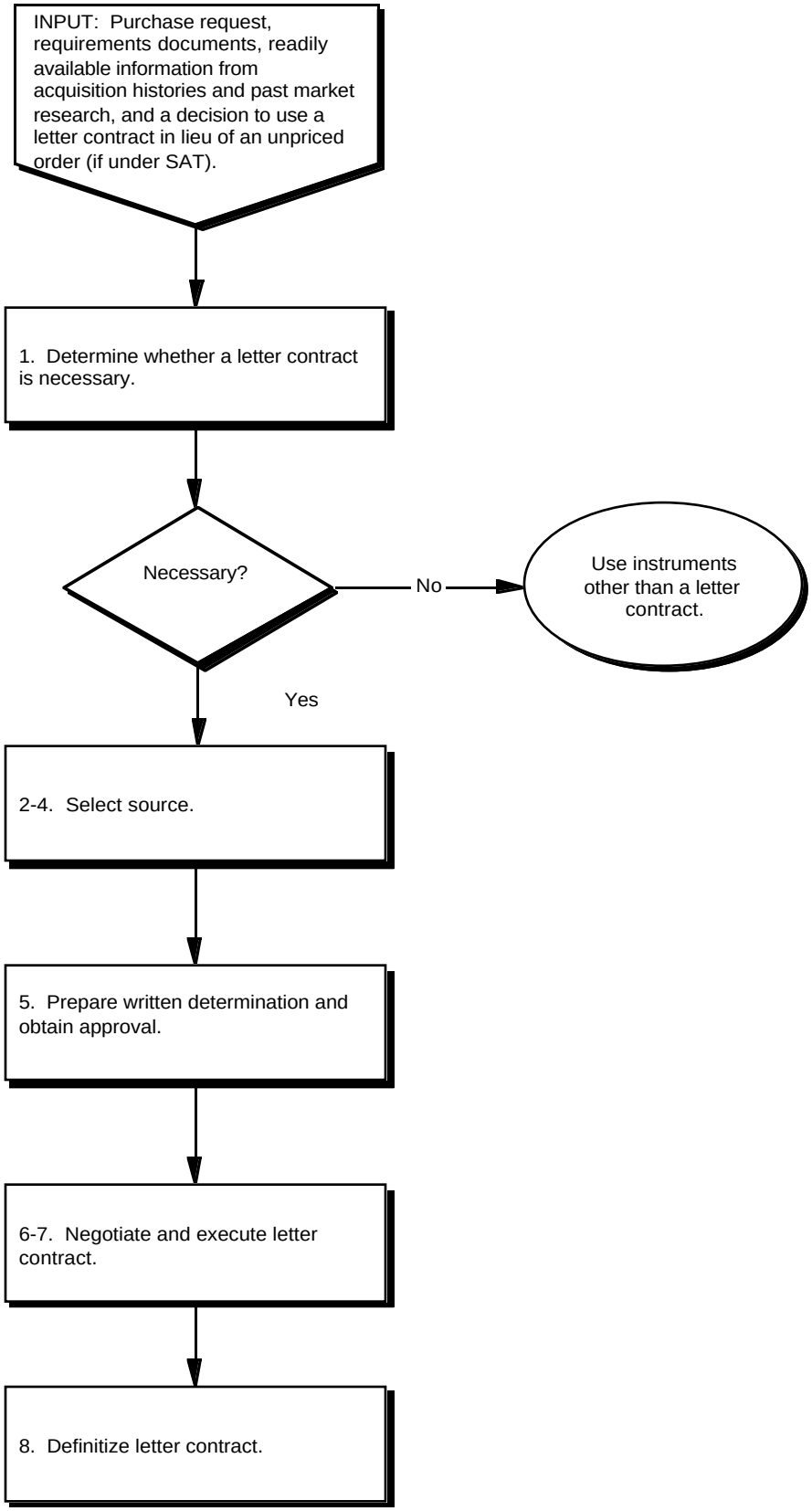
Tasks	Related Standards
1. Determine whether an unpriced purchase order may be used.	A1. Correctly determine whether the purchase meets the conditions for use of unpriced purchase orders at FAR 13.302-2(b): (1) It is impractical to obtain pricing in advance of issuance of the purchase order; and (2) The purchase is for-- • Repairs to equipment requiring disassembly to determine the nature and extent of repairs; • Material available from only one source and for which cost cannot be readily established; or • Supplies or services for which prices are known to be competitive but exact prices are not known (e.g., miscellaneous repair parts, maintenance agreements).
2. Consider alternatives to an unpriced purchase order. Among the alternatives now available under SAT: • Time and material or labor hour contract. • Letter contract. • Cost type contract (non-commercial requirements only).	A2. Correctly determine the Government needs the protections afforded by an alternative instrument. • Available information is not sufficient to establish a realistic ceiling price. • Potential cost of the work is relatively high (e.g., over $25,000). • Insufficient or disquieting feedback on the contractor's track record in minimizing costs.
3. Establish Interim Billing Rates and a realistic ceiling price, either for each line item or for the total order.	A3. Given available information from acquisition histories, vendor estimates, and market research, accurately calculate realistic monetary limits.
4. Incorporate the clause at 52.213-3. "This is a firm order ONLY if your price does not exceed the maximum line item or total price in the Schedule. Submit invoices to the Contracting Officer. If you cannot perform in exact accordance with this order, WITHHOLD PERFORMANCE and notify the Contracting Officer immediately, giving your quotation."	

UNIT 19 UNPRICED CONTRACTS

Part A. Unpriced Purchase Orders

Tasks	Related Standards
5. Approve or disapprove invoiced prices for payment.	A5. Verify invoice prices. Do not exceed approved billing rates and ceiling prices or total. Follow-up each order to ensure timely pricing. Only pay the invoiced price if it is reasonable (see Units 37 and 40 for techniques to establish price reasonableness).

LETTER CONTRACTS



UNIT 19 UNPRICED CONTRACTS

Part B. Letter Contracts

Tasks	Related Standards
1. Determine necessity for letter contract. • Estimate lead-time required to negotiate a definitive contract. • Determine latest possible start time for work to be performed.	B1. Use only when Government needs immediate performance and time doesn't permit negotiation of definitive contract.
2. Estimate price (see Units 5 and 37).	
3. Identify sources (per Units 5 and 9) and conduct oral solicitations.	
4. Select source.	
5. Prepare a written determination and obtain approval of the head of the contracting activity or designee. • Include waiver of 50% funds limit, if needed. • Use blanket waiver, if such exists and is applicable.	
6. Negotiate and execute letter contract which includes the following clauses completed as required: • Requirements documents (per Unit 6). • Contract Definitization (FAR 52.216.25) or Alternate 1 for price competitive situation. • Limitation of Government Liability (FAR 52.216-24). • Execution and Commencement of Work (FAR 52.216.23) (Unless awarded on SF 26). • Payments of Allowable Costs Before Definitization (FAR 52.216.26) where a definitized cost reimbursement contract is contemplated (except R&A of ships). • Any clauses required by FAR for the type of definitive contract contemplated. • Other terms and conditions.	6. Include all clauses required by FAR 16.603 and all mandatory clauses for type of definitive contract contemplated. Commitment may not exceed funds available nor 50% of the estimated cost of the definitive contract.

Tasks	Related Standards
7. In extreme cases only, authorize an additional period beyond that provided in FAR 52.216-25 for definitization.	
8. Definitize Letter Contract. • Receipt and analysis of contractor's proposal or cost/pricing data (Per Units 35-41). • Negotiate price and other business terms and conditions (Per Units 43-46). • Execute definitive contract, or • With approval of HCA in cases where a price or fee cannot be negotiated, determine reasonable price or fee, subject to appeal.	8. Meet the schedule for definitization (180 days or 40% of work to be performed, which ever occurs first). (Note: the Contracting Officer may, in extreme cases, authorize an additional period). Sign no agreement that does not contain a fair and reasonable price.

UNIT 20.1 COMMERCIAL FINANCING

September 1998

Duty	Determine whether to provide for Government financing in the solicitation and, where necessary, the method of financing.
Conditions	Given the purchase request, market research, and a commercial requirement
Overall Standard(s)	Decisions on financing best meet the legitimate needs of contractors while minimizing the Government's monetary risk and ensuring satisfactory contract completion.

UNIT 20.1 COMMERCIAL FINANCING

Policies

FAR	*Agency Suppl.*	*Subject*
12.210		Offering Government financing when the customary market practice includes buyer contract financing.
32.2		Commercial item purchase financing.
52.232-29 through 52.232-31		Related clauses.

Other KSA's

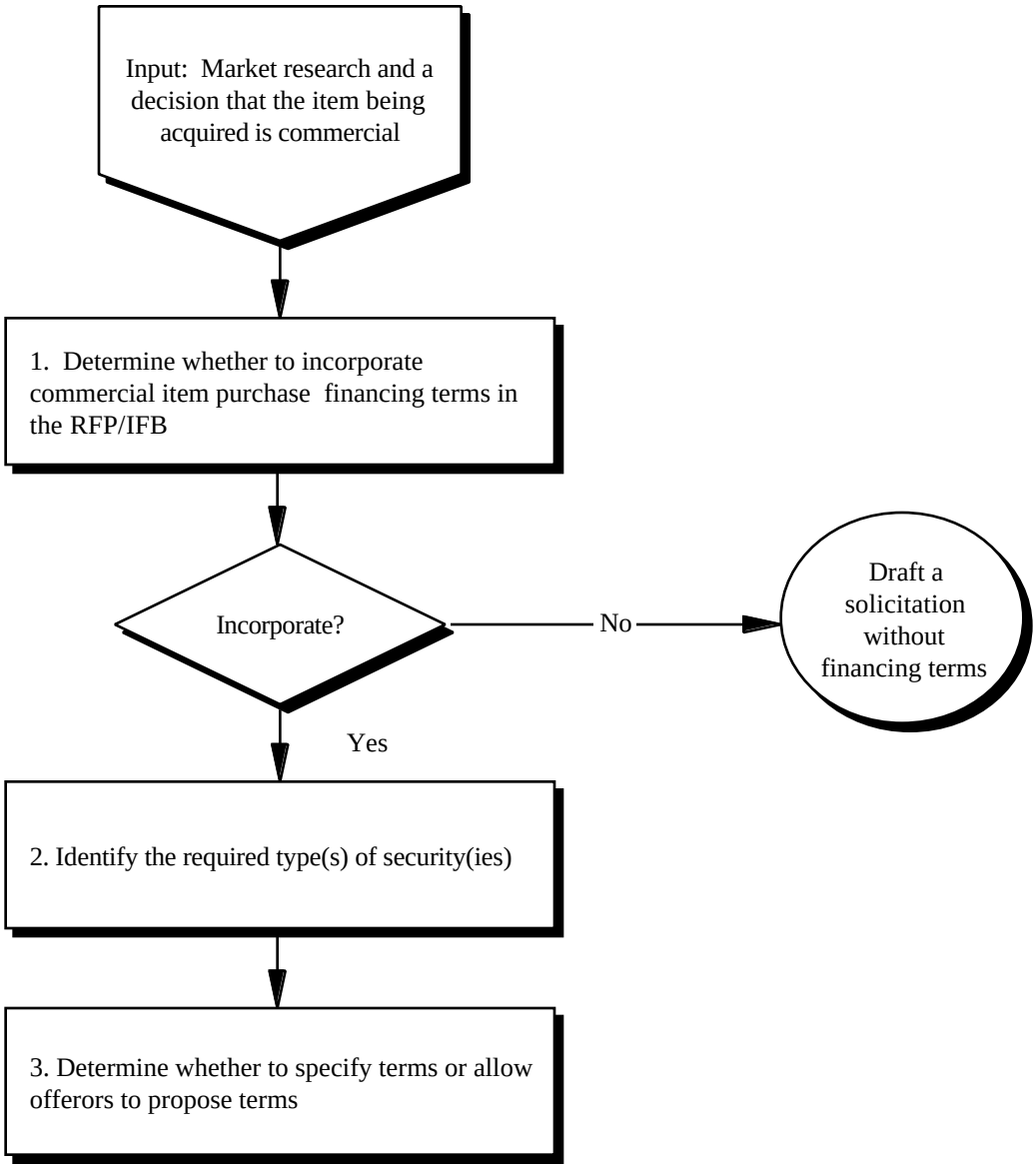
1. Basic knowledge of corporate financial management.

2. Criteria for determining whether a contractor has a valid need for financial assistance.

3. Skill in identifying independent sources of information and advice on the financial situation of contractors; ability to obtain information and advice to validate the contractor's alleged cash flow difficulties.

Other Policies and References (Annotate As Necessary):

UNIT 20.1 COMMERCIAL FINANCING



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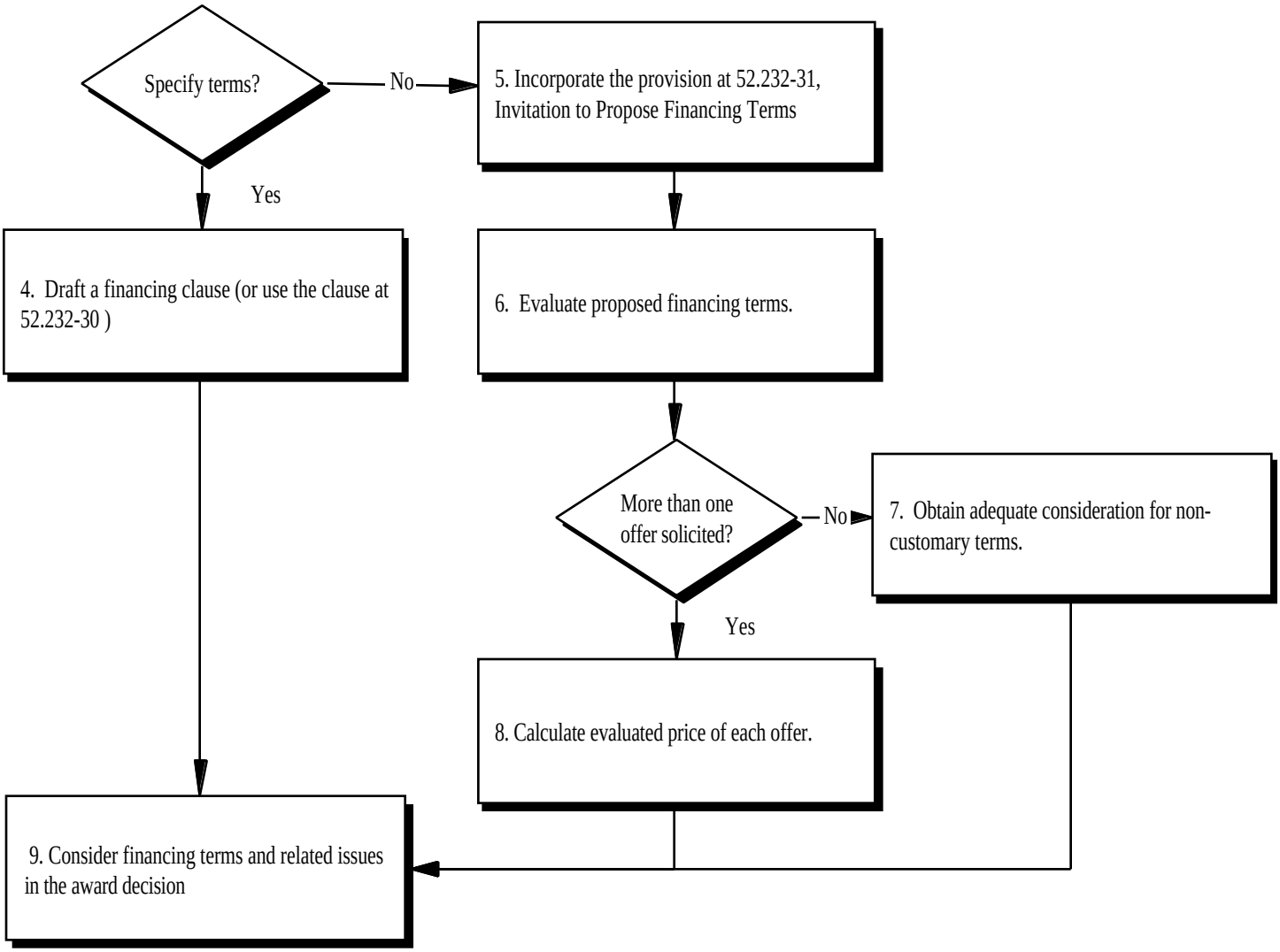


UNIT 20.1 COMMERCIAL FINANCING

Tasks	Related Standards
1. Determine whether to incorporate commercial item purchase financing terms in the solicitation.	1. Agree to finance sellers of commercial items — if, and only if — all of the following are true. · The contract item financed is a commercial supply or service. · The contract price exceeds SAT. · The contracting officer determines that it is appropriate or customary in the commercial marketplace for buyers to finance sellers of the item. · Authorizing this form of contract financing is in the best interest of the Government.
2. Identify the type(s) of security that offerors must provide. Alternatives: · The offeror's financial condition, if: ◊ That would, in the opinion of the contracting officer, constitute adequate security, and ◊ The offeror agrees to provide additional security should that financial condition become inadequate as security. · Paramount lien on specified assets (e.g., work in process, the contractor's plant, or the contractor's inventory), conditioned upon contractor certification that the assets subject to the lien are free from any prior encumbrances. The contract must also authorize the Government to verify the existence and value of the assets. · Irrevocable letters of credit from a federally insured financial institution. · A bond from a surety acceptable in accordance with Part 28 (note that the bond must guarantee repayment of the unliquidated contract financing). · A guarantee of repayment from a person or corporation of demonstrated liquid net worth, connected by significant ownership to the contractor. · Title to identified contractor assets of adequate worth. · Other assets described in FAR §28.203-2, §28.203-3, and §28.204.	2. Agree to commercial financing payments ONLY IF the contractor offers adequate security. The solicitation must state the types of security that the Government will accept. If you are willing to accept more than one form of security, require the offeror to specify the form of security it will provide.

UNIT 20.1 COMMERCIAL FINANCING

Tasks	Related Standards
3. Determine whether to specify terms or allow contractors to propose terms. · Offeror proposed financing terms. [§32.205] ◊ If you select this alternative, each offeror may propose financing terms that differ from those proposed by other offerors. ◊ Use proposed financing terms as a factor in evaluating proposed prices. ◊ The awardee's financing terms become part of the contract. · Contracting officer specified terms. [§32.204] ◊ Specify financing terms in the solicitation — either by drafting a clause as prescribed at §32.206(b) or by incorporating the clause at §52.232-30, *Installment Payments for Commercial Items.* ◊ When the solicitation specifies financing terms, you may NOT use contract financing as a factor in evaluating proposed prices — even if one of the offerors proposes to do the work without Government financing. On the other hand, you cannot reject such a proposal as being nonresponsive. ◊ Specified financing terms become part of the contract, unless the proposal is not predicated on any financing.	
4. Draft a financing clause.	4. Unless using the clause at 52.232-30, the incorporated clause must: · Describe the computation of the financing payment amounts. · Describe specific conditions of contractor entitlement to those financing payments. · Describe how financing payments will be liquidated by delivery payments. · Describe the security provided by the contractor for the financing payments. · Describe the frequency, form, and any additional content of the contractor's request for financing payments (in addition to the requirements of the clause at 52.232-29, Terms for Financing of Purchases of Commercial Items. · Include the unaltered text of the FAR clause at §52.232-29, Terms for Financing of Purchases of Commercial Items.

UNIT 20.1 COMMERCIAL FINANCING

Tasks	Related Standards
5. To solicit financing terms from offerors, incorporate the provision at 52.232-31, Invitation to Propose Financing Terms. Also specify the: [§32.205] · The delivery payment (invoice) dates that will be used to evaluate financing proposals. [§32.205] · The interest rate to be used for evaluating the proposed financing terms — namely, the Nominal Discount Rate specified in Appendix C of OMB Circular A-94 appropriate for the period of contract financing. [§32.205]	
6. Evaluate proposed financing terms.	6. Correctly: · Determine whether the proposed financing complies with FAR Part 32 and agency FAR Supplements (e.g., the limit of 15% on commercial advance payments). Any contract financing arrangement not in accord with the requirements of agency regulations or Part 32 is unusual contract financing and requires advance approval in accordance with agency procedures. · Identify front-loaded financing terms. Exceptionally high amounts of financing early in the contract may unduly increase the risk to the Government. Analyze the security and the amounts and timing of financing payments as a whole to determine whether the arrangement will be in the best interest of the Government. · Determine the acceptability of the proposed liquidation method (including any necessary concurrences, if required, from the cognizant payment office). · Ensure the proposed terms are complete and in compliance with the requirements of FAR §32.206. · Identify any other reason for questioning whether proposed financing terms are in the Government's best interests.
7. If only one offer is solicited, obtain adequate consideration for noncustomary terms.	7. Consideration for financing is required only if the proposed financing is expected to be substantially more advantageous to the offeror than the offeror's normal method of customer financing. Base your prenegotiation position on the time value of the additional financing to be provided.

UNIT 20.1 COMMERCIAL FINANCING

Tasks	Related Standards
8. When offerors propose financing terms in competitive acquisitions, calculate the evaluated price of each offer. For the interest rate in these calculations, use the Nominal Discount Rate specified in Appendix C of OMB Circular A-94, "Benefit-Cost Analysis of Federal Programs; Guidelines and Discounts", appropriate to the period of contract financing. Where the period of proposed financing does not match the periods in the OMB Circular, the interest rate for the period closest to the finance period shall be used. Appendix C is updated yearly, and is available from the Office of Economic Policy in the Office of Management and Budget (OMB).	8. Determine the evaluated price for each offeror by correctly (a) computing the imputed cost of the financing payments and (b) adding the imputed cost to the proposed price. The imputed cost of a single financing payment is the amount of the payment multiplied by the annual interest rate, multiplied by the number of years or fraction thereof between the date of the financing payment and the date the amount would have been paid as a delivery payment. The imputed cost of financing is the sum of the imputed costs of the individual financing payments.
9. Consider financing terms and related issues in the award decision.	9. Correctly: · Determine whether the proposed securities are adequate. The value of the security must at least equal the maximum unliquidated amount of the contract financing payments. · Determine whether the proposed financing terms (if offeror specified) are in the best interest of the Government.

UNIT 20.2 NONCOMMERCIAL CONTRACT FINANCING

September 1998

Part A: Providing for Financing in the Solicitation

Duty	Determine whether to provide for Government financing in the solicitation and, where necessary, the method of financing.
Conditions	Given the purchase request, market research, and a noncommercial requirement.
Overall Standard(s)	Decisions on financing best meet the legitimate needs of contractors while minimizing the Government's monetary risk and ensuring satisfactory contract completion.

Part B: Evaluating Offers Contingent Upon Financing

Duty	Determine the need for contractor financing and, where necessary, the method of financing.
Conditions	Given market research, a noncommercial requirement, and a contractor's request for financial assistance submitted with the offer or during performance of the contract.
Overall Standard(s)	Decisions on financing best meet the legitimate needs of contractors while minimizing the Government's monetary risk and ensuring satisfactory contract completion. Other than for loan guarantees, only finance working capital, not the expansion of contractor-owned facilities or the acquisition of fixed assets.

UNIT 20.2 NONCOMMERCIAL CONTRACT FINANCING

Policies

FAR	*Agency Suppl.*	*Subject*
32.001		Definitions.
32.005		Consideration
32.102		Description of contract financing methods.
32.104		Providing contract financing.
32.105		Uses of contract financing.
32.106		Order of preference.
32.107		Need for contract financing not to be used as a responsibility or evaluation factor.
32.108		Financial consultation.
32.111		Contract clauses.
32.113		Customary contract financing.
32.114		Unusual contract financing.
32.3		Loan guarantees for defense production.
32.4		Advance payments.
32.500 through 502		Progress payments based on costs.
32.504		Progress payments to subcontractors.
32.10		Performance-Based Payments
52.232-12 through 232-16 52.232-32		Related clauses.

Other KSA's

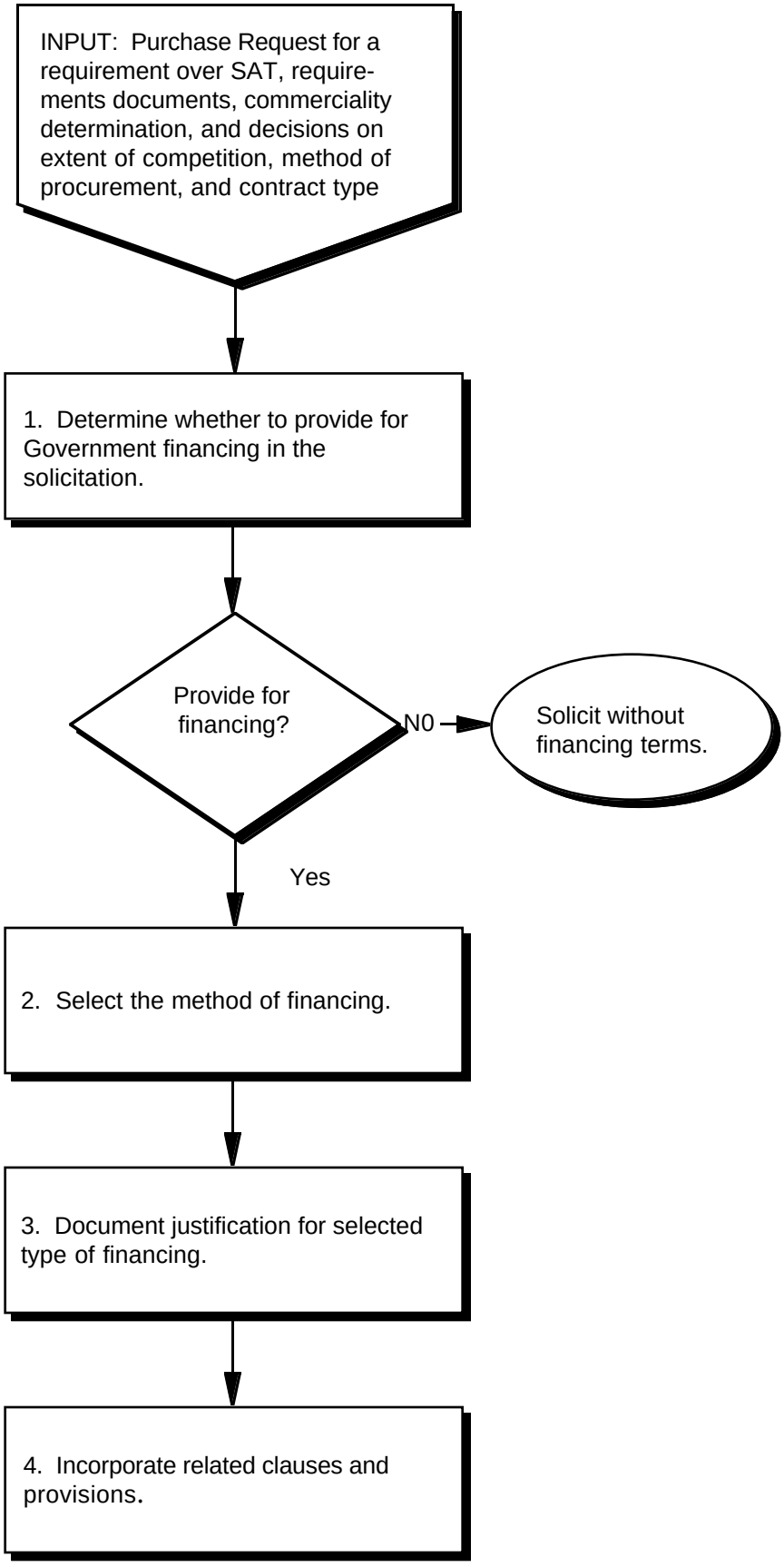
1. Basic knowledge of corporate financial management.

2. Criteria for determining whether a contractor has a valid need for financial assistance.

3. Skill in identifying independent sources of information and advice on the financial situation of contractors; ability to obtain information and advice to validate the contractor's alleged cash flow difficulties.

Other Policies and References (Annotate As Necessary):

Providing for Financing in the Solicitation

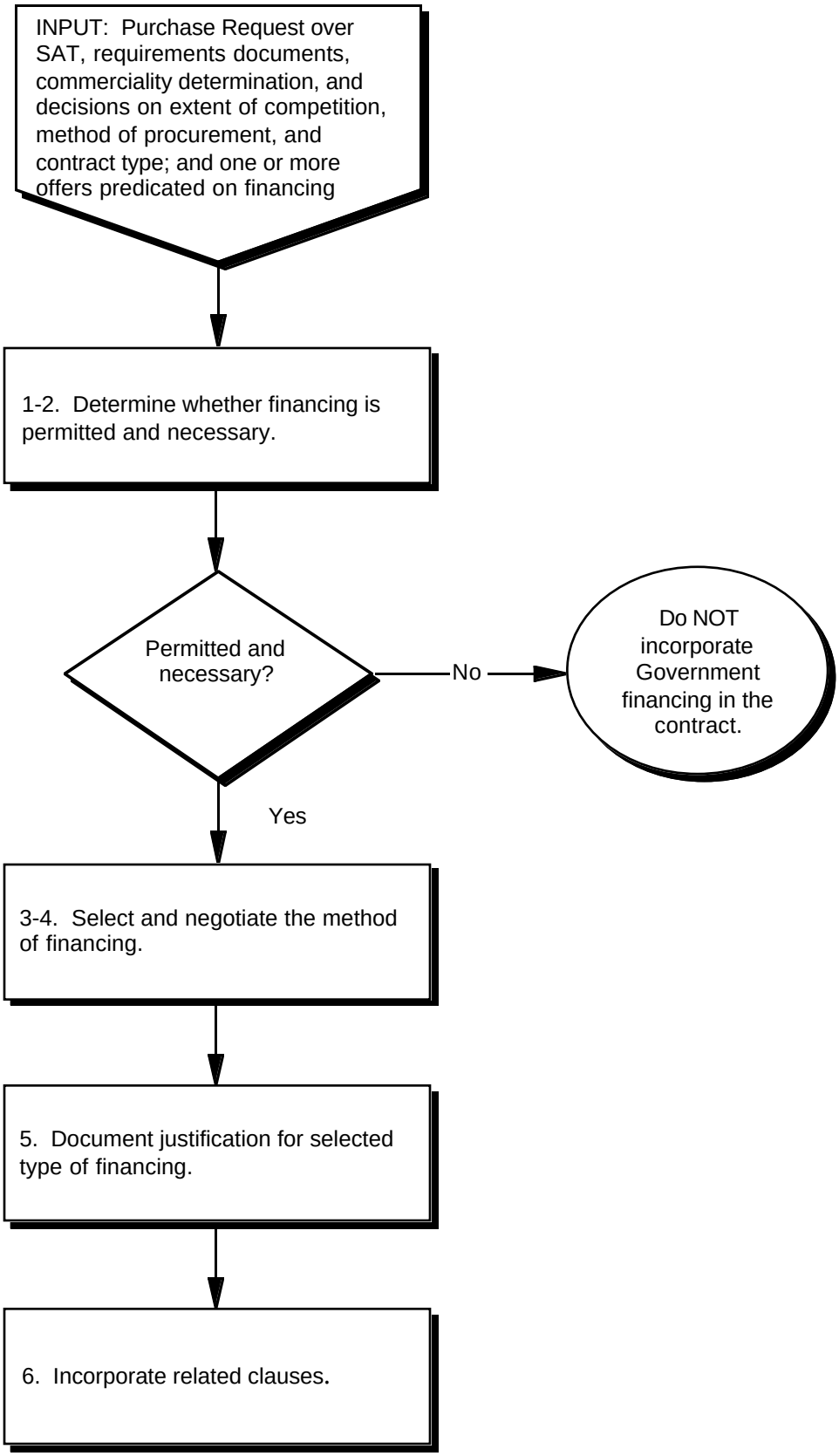


UNIT 20.2 NONCOMMERCIAL CONTRACT FINANCING

Part A: Providing for Financing in the Solicitation

Tasks	Related Standards
1. Determine whether to provide for Government financing in the initial solicitation. Unless otherwise authorized by agency regulation, contract financing may be provided in contracts for non-commercial items only with: • Small business contractors, when the contract price will be greater than SAT. • Other than small business contractors, when the contract price will be $1 million or more. • Other than small business contractors, for a group of contracts that total $1 million or more (as long as the price of each individual contract exceeds SAT).	A1. Include financing provisions and clauses when (a) contractors could not otherwise be reasonably expected to perform or (b) when otherwise responsible firms would be unable to compete. For example, include financing provisions and clauses when: • Contractors would not be able to bill for the first delivery of products, or other performance milestones, for a substantial time —normally 6 months or more (4 months for small business concerns)—after work begins and expenditures for contract performance during the predelivery period would have a significant impact on the contractor's working capital. • Otherwise responsible firms in the market are likely to have an actual financial need or not be able to obtain private financing for the work.
2. Select the method of financing to incorporate in the IFB or RFP: • Progress payments. • Loan guarantees. • Advance payments. • Performance-based payments. • Other.	A2. Properly apply FAR Part 32 criteria in selecting the most appropriate financing method.
3. Document the justification for authorizing contractor financing (a D&F for advance payments).	A3. Correctly prepare memorandum or D&F as required (FAR Part 32).
4. Incorporate related clauses and provisions for the solicitation (if any).	

Evaluating Offers Contingent Upon Financing



UNIT 20.2 NONCOMMERCIAL CONTRACT FINANCING

Part B: Evaluating Offers Contingent Upon Financing

Tasks	Related Standards
1. Review proposed financing terms. • Review data included with the request. • Identify and obtain independent information on the contractor's financial status (i.e., auditors, SBA, and others). • Request additional information from the contractor to support or verify the need.	B1. Agree to financing only with firms which are otherwise responsible but have a valid need for financial assistance.
2. Determine whether the contractor is otherwise responsible (per Unit 48). Especially: • Verify that the contractor has production capability. • Verify that the contractor's past performance was satisfactory.	B2. If the contractor is otherwise responsible, do not treat the contractor's need for financing as a handicap for contract award (i.e., as a factor in determining responsibility or an evaluation criterion).
3. Negotiate an agreement on the method of financing: • Advance payments. • Progress payments. • Loan guarantees. • Performance-Based Payments • Other.	B3. Accurately explain the pros and cons of each method of financing vis-a-vis the contractor's situation. Properly apply FAR Part 32 criteria in selecting the most appropriate financing method.
4. If financing will be performance-based, negotiate: • Performance bases. • Performance-based finance payment amounts. • Liquidation rates or deductions. • Instructions for multiple appropriations.	B4. Establish a complete, fully defined schedule of events or performance criteria and payment amounts. Satisfy other standards in FAR Subpart 32.10.
5. Document in a memorandum for the file the justification for authorizing contractor financing (a D&F for advance payments).	B5. Correctly prepare memorandum or D&F as required (FAR Part 32).
6. Add appropriate contract clauses and language to award or through contract modification.	

UNIT 21 NEED FOR BONDS

September 1998

Duty	Determine bonding requirements (if any) for the solicitation and contract.
Conditions	Given purchase requests, market data, and acquisition histories.
Overall Standard(s)	Obtain bonds for high risk markets. Reject bonds that are not acceptable.

UNIT 21 NEED FOR BONDS

Policies

FAR	*Agency Suppl.*	*Subject*
9.405(c)		No debarred sureties.
28.101		Bid guarantees.
28.102		Bonds in construction contracts
28.103		Performance and payment bonds for other than construction contracts.
28.104		Annual performance bonds.
28.105		Other types of bonds.
28.106-1		Bonds and related bond forms.
28.2		Sureties and other security for bonds.
32.202-4		Securities for commercial financing payments (including bonds as one form of security).
52.228-1		Bid guarantee.
52.228-2		Additional bond security.

Other KSA's

1. Knowledge of corporate financial instruments.

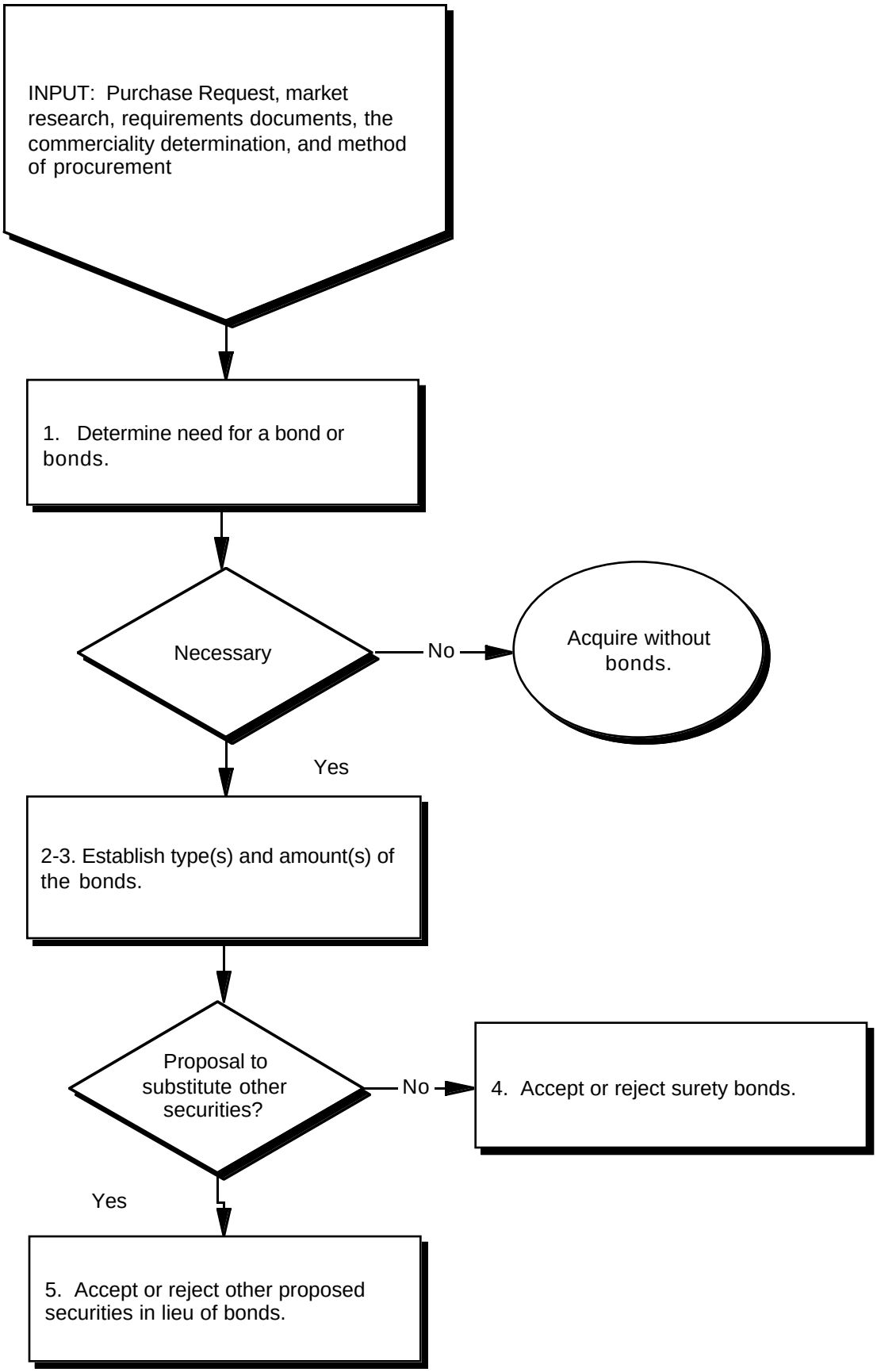
2. Knowledge of what constitutes a "high risk" market.

3. Knowledge of typical agency bonding clauses and types of bonds.

4. Knowledge of the Treasury Circular 570 “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and Acceptable Reinsuring Companies.

Other Policies and References (Annotate As Necessary):

NEED FOR BONDS



UNIT 21 NEED FOR BONDS

Tasks	Related Standards
1. Determine need for bonds in contracts other than for construction. Subtasks: • Identify and review relevant data from acquisition histories and the market (from Unit 5). • Identifying high risk markets (previous history of problems in contract completion and with recovery of reprocurement costs), especially when: - Government property or funds are to be provided to the contractor for use in performing the contract or as partial compensation. - A contractor sells assets to or merges with another concern, and the Government, after recognizing the latter concern as the successor in interest, desires assurance that it is financially capable. - Substantial progress payments are made before delivery of end items starts.	1. Correctly identify regulatory requirements for bonds. Obtain bonds when the contractor offers or agrees to post a bond as the security for commercial financing. Obtain bonds for "high risk" markets where any additional price of obtaining bonds is offset by reduction of the Government's risk through screening out marginal offerors. Include bonds in solicitations and contracts for commercial items ONLY IF bonding is a customary commercial practice for the market (i.e., because commercial buyers also believe the market is high risk).
2. Select type(s) and amount(s) of bonds. • Performance Bond. • Annual Performance Bonds. • Payment Bond. • Bid Guarantee. • Advance Payment Bond. • Patent Infringement Bond. • Some combination of the above.	2. Bid Guarantees— In sealed bidding, require bid guarantees only when a performance bond (or a performance and payment bond) is required. The chief of the contracting office may waive any requirement for a bid guarantee. The bid guarantee amount should be at least 20% of the bid price up to, but not exceeding, $3 million. The actual amount required should be adequate to protect the Government from loss if the successful bidder fails to execute further contractual documents and bonds as required.
3. Identify and complete appropriate terms and conditions—including the appropriate form(s)—for the solicitation.	

UNIT 21 NEED FOR BONDS

Tasks	Related Standards
4. Accept or reject surety bonds. Check the bond to determine whether: • It is properly signed and notarized. • It conforms with the solicitation's bonding requirements (e.g., value and name).	4. Only accept surety bonds that are complete and include a signature and affidavit certifying power of attorney from an approved surety. Only accept bonds from an individual surety if the surety furnishes with the bond a security interest in assets acceptable under FAR 28.203-2. Corporate Sureties must meet the tests of FAR 28.202, such as: • The surety must be on the Treasury's list of acceptable Sureties.[1] • The penal bond must not exceed the surety's underwriting limit as stated by Treasury (in terms of dollar amount and localities for which the Surety has been approved). However, the dollar amount that exceeds the specified limit can be coinsured or reinsured in amounts that do not exceed the underwriting limits of the coinsurers or reinsurers. Individual Sureties must meet the tests of FAR 28.203 (e.g., the unencumbered value of pledged assets must equal or exceed the amount of the bond.) Reject any surety that has been debarred, suspended, or proposed for debarment. If no individual surety is acceptable, permit the offeror a reasonable time to find a substitute. If no acceptable substitute is found, reject the bid.
5. Accept or reject other securities for one or more of the required bond(s). Examples: • U.S. bonds or notes. • Certified or cashiers checks, bank drafts, money orders, or currency. • Irrevocable letter of credit.	Accept other securities only as provided by FAR 28.204.

[1]But see FAR 28.202(b) for foreign countries.

UNIT 21 NEED FOR BONDS

Tasks	Related Standards

UNIT 22 METHOD OF PAYMENT

February 1999

Duty	Determine method of payment.
Conditions	Given purchase requests, market data, and acquisition histories.
Overall Standard(s)	Select the available method of payment and related clauses that will best minimize the Government's overhead for making contract payments while preserving opportunities for small business concerns to compete for Federal contracts.

UNIT 22 METHOD OF PAYMENT

Policies

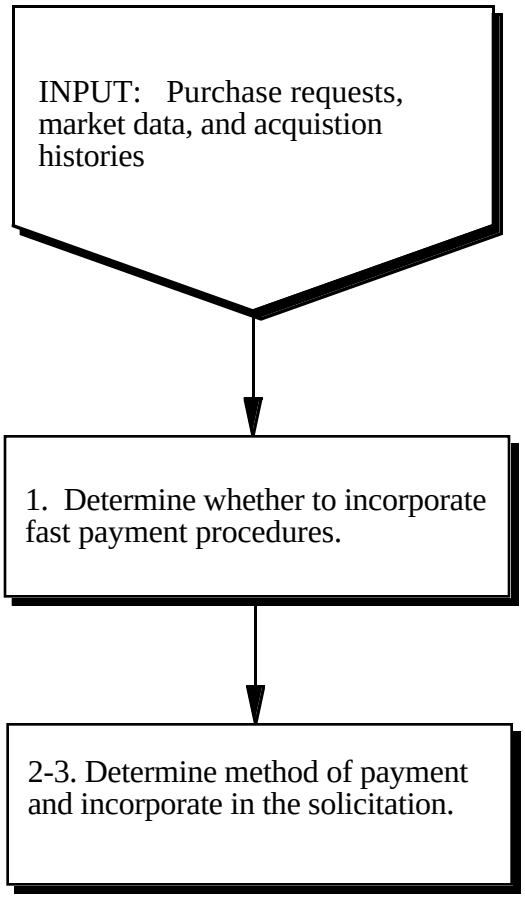
FAR	*Agency Suppl.*	*Subject*
13.001		Definitions of Government commercial purchase cards and third party drafts.
13.003 (f) & (g)		Permission for use purchase cards to pay vendors above the micropurchase threshold.
13.305		Prohibition on use of third party drafts above micropurchase threshold absent authority from Treasury.
13.4		Fast Payment Procedures
52.212-4 (g) & (i)		Payment terms for commercial contracts.
52.213-1		Fast Payment Procedures.
52.232-8		Prompt payment discounts.
52.232-33 & 34		Electronic Funds Transfer Payment Methods (Mandatory & Optional).

Other KSA's

1. Knowledge of financial instruments.

Other Policies and References (Annotate As Necessary):

METHOD OF PAYMENT



UNIT 22 METHOD OF PAYMENT

Tasks	Related Standards
1. Determine whether to incorporate fast payment procedures in firm fixed-price simplified acquisitions for supplies.	1. When acquiring commercial supplies, only consider use of fast payment procedures when such procedures are considered a customary commercial practice in that market. Do not use Fast Payment for orders above $25,000 or the agency specified threshold. Use Fast Payment only if all of the following are true: • Given both the geographical separation and inadequate communications between Government receiving and disbursing activities, timely payment cannot practically be based on evidence of Government acceptance. (Do not use the fast payment procedure if material being purchased contract administration will be performed by the contracting office at the receiving activity.) • Title to the supplies will vest in the Government-- (1) Upon delivery to a post office or common carrier for mailing or shipment to destination; or (2) Upon receipt by the Government if the shipment is by means other than Postal Service or common carrier. • The supplier agrees to the terms in 52.213-1 for replacing, repairing, or correcting supplies not received at destination, damaged in transit, or not conforming to purchase requirements. Only establish such agreements with suppliers which have a good track record of reliability and willingness to promptly correct performance problems. • A system is in place to (1) Document evidence of contractor performance under fast payment acquisitions; (2) Identify suppliers with a current history of abusing the procedure; and (3) Quickly notify the contracting officer of problems with contractor compliance.

UNIT 22 METHOD OF PAYMENT

Tasks	Related Standards
2. Determine method of payment. Among the alternatives: • Government Commercial Purchase Card. • Check. • Electronic funds transfer through Fedline. • Electronic funds transfer through the Automated Clearing House. • Third Party Drafts (but only if authorized by Treasury for use above the micropurchase threshold).	2. Use the purchase card when benefits outweigh related costs and risks. In particular, consider allowing use of the card by ordering officials under indefinite delivery contracts. Determine whether to provide for the possibility of using ETF (by incorporating the clause at 52.232-28) through Fedline or the automated clearing house (note that incorporating this clause leaves open the possibility of cutting a check for an awardee which cannot take advantage of ETF).
3. Identify and complete appropriate terms and conditions for the solicitation.	3. Incorporate 52.232-8 in solicitations for non-commercial items when awarding a fixed-price supply or service contract (also see 52.212-4(i) for comparable language in contracts for commercial supplies and services).

Potential Benefits Of Payment By Purchase Card:

- *Fewer invoices and better control of expenditures*. Instead of receiving hundreds of bills from vendors, the purchase card company provides the purchase card holder with one statement covering purchases made with the card during the prior period.
- *Reduced risk to the Government.* If a vendor fails to perform, the Government can withhold payment from the purchase card company for the supplies or services. The purchase card company in turn credits the amount of the sale to the Government and charges back the amount of the sale to the vendor through the vendor's bank.
- *Less risk of dealing with a non-responsible firm*. Banks tend to rigorously screen the financial and other qualifications of vendors that are authorized to accept payment by purchase cards.
- *In markets for which the purchase card is a customary method of payment, a broader vendor base* — companies are likely to prefer being paid by the card (a method of payment with which they are very familiar) than through the unique and unfamiliar procedures established by the terms and conditions of Government payment clauses.
- *The Government receives a rebate from the purchase card company based upon volume of total purchases made with the card.*

Potential Drawbacks:

- You will need to make arrangements with the finance office to handle the accounting issues inherent in use of the card (e.g., ensuring that each transaction ultimately tracks with the proper fund cite).
- Purchase cards are not an accepted method of payment in every market. On the other hand, purchase cards are becoming more popular with purchasing agents for industry,

State Governments, and local governments. Hence, there should be fewer and fewer markets over time that are unfamiliar with the purchase card as a method of payment.

- Vendors forfeit from 2% to 5% of the purchase price to the bank for every transaction paid by a purchase card. Some vendors therefore decline to accept purchase cards. Others may try to pass that cost to the Government through higher prices.

UNIT 23 PROCUREMENT PLANNING

September 1998

Duty	Determine whether a written plan is necessary and, where necessary, update or prepare the plan.
Conditions	Given purchase requests, acquisition histories, market data, procurement plans for previous procurements, and decisions made in the presolicitation phase (i.e., in the course of initiating the procurement, analyzing the requirement, establishing the extent of competition, identifying selection factors, and selecting the method of procurement).
Overall Standard(s)	Prepare a written plan for complex procurements that will take extended periods of time to consummate. Record key decisions and milestones. Correctly assign responsibilities and identify approving officials. Provide sufficient lead-time in the plan to obtain full and open competition and meet the Government's needs in the most effective, economical, and timely manner.

UNIT 23 PROCUREMENT PLANNING

Policies

FAR	*Agency Suppl.*	*Subject*

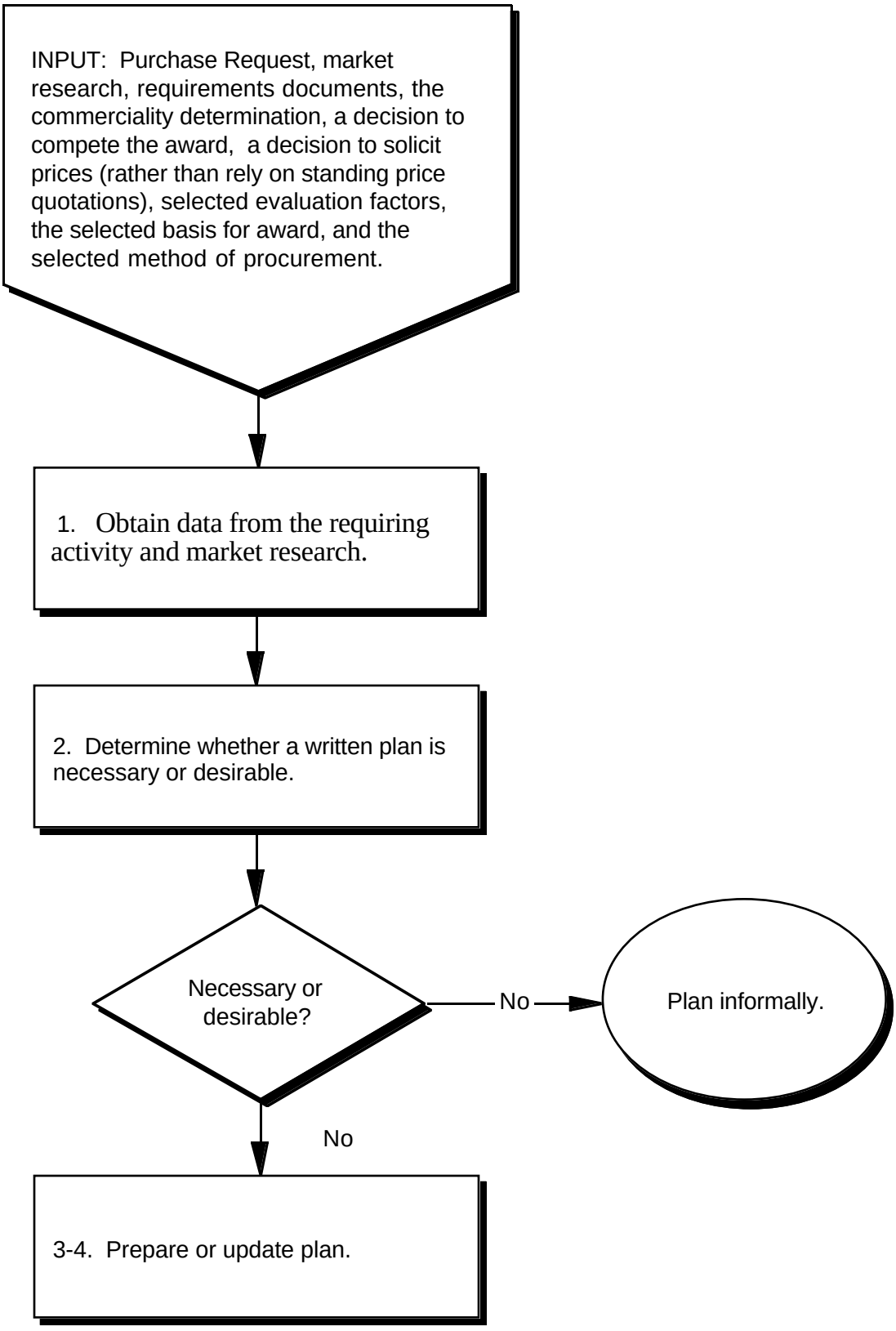
Other KSA's

1. Knowledge of the nature and purpose of planning, planning premises, decisionmaking, planning techniques (e.g., networking planning generally, PERT/CPM, and probabilistic network methods), and steps in planning a project (from Organization and Management or Industrial Management).

2. Knowledge of the relationship between line and staff authority (in terms of identifying roles, responsibilities, and milestones for a procurement plan) ; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers (from Organization and Management).

Other Policies and References (Annotate As Necessary):

Planning the Procurement



UNIT 23 PROCUREMENT PLANNING

Tasks	Related Standards
1. Obtain data from the requiring activity and market research (per Units 1, 3 and 5). • Identity of supplies and services to be procured. • Acquisition histories. • Findings of previous market research, if any.	
2. Determine whether a written plan is necessary or desirable.	
3. Determine if an existing procurement plan applies.	3. Check any existing plan to determine whether it is current and applicable. Update the plan as necessary to reflect changes in market conditions.
4. Prepare plan. a. Record key decisions, including, where applicable, decisions on: • Requirements documents. • Extent of competition. • Evaluation factors. • Method of procurement and solicitation. • Type of contract. • Other key business terms and conditions. • The contract administration plan. b. Record milestones: • Requiring activity milestones. • Procurement milestones. c. Assign responsibilities: • To requiring activity personnel. • To purchasing staff. d. Obtain approvals, as necessary: • Contracting Officer. • Requiring activity. • Legal, technical, finance, shipping, packaging, and other supporting offices. e. Update plan as decisions are made and milestones are met.	4. Document all key decisions as they are made, and record the decisions in the plan. Correctly identify responsibilities for the procurement. Correctly identify all approving officials under agency policy. Track each critical decision and milestone.

TAB D

CONTRACT MANAGEMENT
UNITS OF INSTRUCTION

FEDERAL ACQUISITION INSTITUTE
OCTOBER 1998

UNITS OF INSTRUCTION BY TITLE AND PART

The following pages list the Contract Management Unit of Instructions in order, from Unit 0 (Orientation) through 85 (Fraud & Exclusion).

Since the last edition was published, we have added six Units, reordered the Units, and renumbered them. For each Unit, the far right column on the following pages provides a cross-reference to the corresponding Unit in the Second Edition of the Workbook.

0	**Orientation**	79
1	**Forecasting Requirements**	1
2	**Acquisition Planning**	2
3	**Purchase Requests**	3
4	**Funding**	4
5	**Market Research** A. Market investigation. B. Exchanges prior to soliciting.	5
6	**Requirement Documents**	6 & 7
7	**Use Of Government Property And Supply Sources** A. Government furnished property. B. Contractor acquired government property C. Government sources of supply.	22
8	**Services** A. Authority to purchase services. B. Service Contract Act wage determinations.	8
9	**Sources** A. Required sources and existing agreements/contracts. B. Interagency acquisitions under the Economy Act. C. Source lists. D. Qualified bidders, manufacturers, and products lists. E. Special standards of responsibility.	9
10	**Competition Requirements**	12
10B	**Unsolicited Proposals**	13
11	**Set Asides**	10
12	**8(a) Procurements**	11
13	**Lease Vs. Purchase** A. Soliciting offers to lease. B. Evaluating offers to lease.	14

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
14	**Price Related Factors**	15
15	**Non-Price Evaluation Factors**	16
16	**Method Of Procurement or Purchasing** A. Method of Procurement. B. Method of Purchasing. C. Oral Presentations.	17
17	**Contract Types — Pricing Arrangements**	19.1
	A. Firm Fixed Price and Fixed Price—Level Of Effort Contracts.	19.5
	B. Fixed Price Contracts with Economic Price Adjustment.	19.5
	C. Fixed Price Incentive Contracts.	19.5
	D. Fixed Price Award Fee Contracts.	19.5
	E. Fixed Price with Prospective or Retroactive Redetermination Contracts.	19.5
	F. Cost Plus Fixed Fee Contracts.	19.6
	G. Cost Plus Incentive Fee Contracts.	19.6
	H. Cost Plus Award Fee Contracts.	19.6
	I. Cost—No Fee & Cost Sharing Contracts.	19.6
18	**Recurring Requirements**	4B, 19.3 & 19.4
19	**Unpriced Contracts** A. Unpriced Purchase Orders. B. Letter Contracts.	20
20.1	**Commercial Financing**	New
20.2	**Noncommercial Contract Financing** A. Providing for financing in the solicitation. B. Evaluating offers contingent upon financing.	21
21	**Need For Bonds**	23
22	**Method of Payment**	New
23	**Procurement Planning**	18
24	**Publicizing Proposed Procurements**	25
25	**Oral Solicitation**	New
26	**Solicitation Preparation** A. Preparing written Requests for Quotations. B. Preparing RFPs. C. Preparing IFBs.	24
27	**Preaward Inquiries** A. Inquiries about solicitations. B. FOIA requests.	26
28	**Prequote/ Prebid/Preproposal Conferences**	27

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
29	**Amending/Canceling Solicitations** A. Amending and Canceling Solicitations B. Cancellation of IFB before opening. C. Cancellation of IFB after opening.	28 & 29
30	**Processing Bids**	30
31	**Bid Acceptance Periods**	31
32	**Late Offers**	32
33	**Price Analysis — Sealed Bidding**	33
34	**Responsiveness**	34
35	**Processing Quotes and Proposals**	35
36	**Applying Past Performance, Technical, and Other Non-Price Factors** A. Evaluating Quotes. B. Evaluating Proposals. C. Surveying Past Performance. D. Oral Presentations.	36
37	**Price Analysis — Negotiations**	37
38	**Pricing Information From Offerors** A. Exceptions to Cost or Pricing Data. B. Information other than Cost or Pricing Data. C. Cost or Pricing Data.	38
39	**Audits**	39
40	**Cost Analysis**	40
41	**Evaluating Other Terms And Conditions**	41
42	**Award Without Discussion**	42
43	**Communications/Factfinding**	43
44	**Extent of Discussions (Competitive Range)**	42
45	**Negotiation Strategy** A. Planning Sole Source Negotiations. B. Planning Competitive Discussions.	44
46	**Conducting Discussions/Negotiations**	45
47	**Debriefing**	51
48	**Responsibility**	47
49	**Subcontracting Requirements** A. Establishing subcontracting requirements. B. Evaluating subcontracting plans. C. Make-Or-Buy programs.	48
50	**Preparing Awards** A. Make final award decision in FAR Part 14 and FAR Part 15 Procurements. B. Prepare Purchase Orders.	49

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
51	**Issuing Awards and Related Notices**	50
52	**Mistakes In Offers** A. Pre-award mistakes in bids. B. Pre-award mistakes in proposals. C. Mistakes after award.	46
53	**Protests** A. Agency protests. B. Protests to GAO C. Protests to the courts. D. Protests to SBA of eligibility for a set-aside or small business preference.	52
54	**Contract Administration Planning**	54
55	**Post-Award Orientations**	55
56	**Consent To Subcontracts** A. Consent requirements. B. Consent to subcontracts. C. Purchasing system reviews. D. Make or buy.	57
57	**Subcontracting Requirements**	58C
58	**Contract Modifications** A. Modifications. B. Extraordinary contractual actions.	75
59	**Options**	75B
60	**Task and Delivery Order Contracting** A. Establishing task and delivery order contracts. B. Orders from FAR Part 8 sources. C. Orders from single award task and delivery order contracts. D. Ordering against multiple award task and delivery order contracts. E. Orders under Basic Ordering Agreements.	56
61	**Monitoring, Inspection, And Acceptance** A. Compliance with the Schedule. B. Protecting contractor employee whistleblowers.	58
62	**Delays**	59
63	**Stop Work**	60
64	**Commercial/Simplified Acquisition Remedies** A. Selection of remedies. B. Cure notices. C. Rejection of work under FAR 52.212-4(a) and 52.213-4(e). D. Warranty clause. E. Implied warranties.	New

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
65	**Noncommercial Remedies** A. Selection of remedies. B. Cure and show cause notices. C. Liquidated damages. D. Rejecting nonconforming deliverables. E. Written warranty. F. Fraud, gross mistake, or latent defect.	61
66	**Documenting Past Performance**	63
67	**Invoices**	65
68	**Assignment Of Claims**	67
69	**Administering Securities**	77
70	**Administering Financing Terms** A. Commercial financing. B. Progress payments. C. Advance payments. D. Performance-based payments.	69
71	**Unallowable Costs**	66
72	**Payment of Indirect Costs**	65B
73	**Limitation Of Costs**	64
74	**Price And Fee Adjustments** A. Economic price adjustments. B. Incentive price adjustments. C. Award fee adjustments. D. Incentive fee adjustments. E. Price redeterminations.	70
75	**Collecting Contractor Debts**	68
76	**Accounting And Estimating Systems** A. Accounting systems. B. Cost estimating systems. C. Financial condition.	71
77	**Cost Accounting Standards** A. Determining applicability. B. Reviewing disclosure statements.	72
78	**Defective Pricing**	73
79	**Property Administration**	62
80	**Intellectual Property**	New
81	**Administering Socio-Economic and Other Misc. Terms**	58B
82	**Claims**	78

TAB D-1 UNITS OF INSTRUCTION BY TITLE AND PART

Number	**UNITS**	*1993 Unit*
83	**Termination** A. Determine whether to terminate and method (if any) of termination. B. Terminating for convenience. C. Terminating for cause or default.	76
84	**Closeout**	74
85	**Fraud And Exclusion**	53

ORGANIZATION AND FORMAT

The following is a section by section description of a typical Unit of Instruction. The # sign refers to the number of the Unit (e.g., 73, which is the # for the Unit on **Limitation Of Costs**). The cited page numbers may vary from Unit to Unit.

Section	*Page*	*Purpose*
Title	#-1	Identifies the Unit by the title and #. The date indicates when the Unit as a whole was last revised.
Duty, Conditions, and Standard(s).	#-1	Prescribes the **Action** that students should be able to perform at the end of training, the **Conditions** under which the student can be expected to perform, and a **Standard** for assessing performance. Together, these three elements constitute the Terminal Learning Objective for the Duty (or Part). Whether in the classroom or on-the-job, the trainer's or educator's goal should be to accomplish this Terminal Learning Objective. And trainers or educators should be judged primarily by their effectiveness in realizing this goal.
FAR Citations	#-2	Lists references to related sections in the Federal Acquisition Regulation (FAR). Space is provided to enter citations from the applicable FAR Supplement and other policy guidelines.
Other KSA's	#-2	Identifies related knowledge, skills, and abilities.

TAB D-2 ORGANIZATION AND FORMAT

Section	*Page*	*Purpose*
Flowchart	#-3	Visually depicts steps and decision points in performing the duty. The number or numbers in each box correspond to the Tasks described on pages #-4 and following. A block in the flowchart may combine a number of Tasks (e.g., Tasks 2-4). When a Unit has been divided into a number of parts (e.g., Part A, Part B, and Part C), the Unit generally includes a separate flowchart for each Part positioned on the page immediately preceding the Part.
Tasks	#-4	Presents steps in performing the duty, in order of instruction. Trainees should learn each step in turn and also be provided with in-class and on-the-job practice in performing the more critical steps. The steps have been sequenced for the purpose of accomplishing the Terminal Learning Objective of the Unit or Part. These are not necessarily all the steps or the best sequence of steps for any given on-the-job assignment.
Related Standards	#-4	Provides standards for learning each step and/or additional instructions. Each task and its related standard together comprise an "Enabling Objective."
Appendices	NA	Some Units have been appended with additional checklists or guidelines.

TAB D3

ACQUISITION PLANNING

TAB D-3 ORIENTATION

TAB D4

CONTRACT FORMATION

TAB D4

UNIT 24 PUBLICIZING PROPOSED PROCUREMENTS

February 1999

Duty	Select and implement a method or methods of publicizing the proposed procurements.
Conditions	Given a proposed solicitation and market data
Overall Standard(s)	Market notified to extent required and necessary for obtaining competition for prime contracts and to offer subcontracting opportunities to small businesses.

UNIT 24 PUBLICIZING PROPOSED PROCUREMENTS

Policies

FAR	*Agency Suppl.*	*Subject*
5.1		Dissemination of information.
5.2		Synopses (excluding section 5.204, which is covered in Unit 5)
5.5		Paid advertising.
13.104		Soliciting to attain maximum practicable competition (at least 3 sources absent a requirement for nationwide publicity; prohibitions on personal preference and restricting the solicitation to suppliers of well-known and widely distributed makes or brands.)
13.105		Public display and synopsis requirements.
13.106-1		Soliciting competition for contract actions under SAT.
14.203		Methods of soliciting bids (e.g., mailing or delivery; dissemination).
14.211(a) 15.201		Release of information prior to soliciting.
35.007(a-b)		Soliciting R&D proposals.
35.016		Broad agency announcements for R&D proposals.
52.211-1 thru 52.211-4		Availability of specifications for review by offerors.

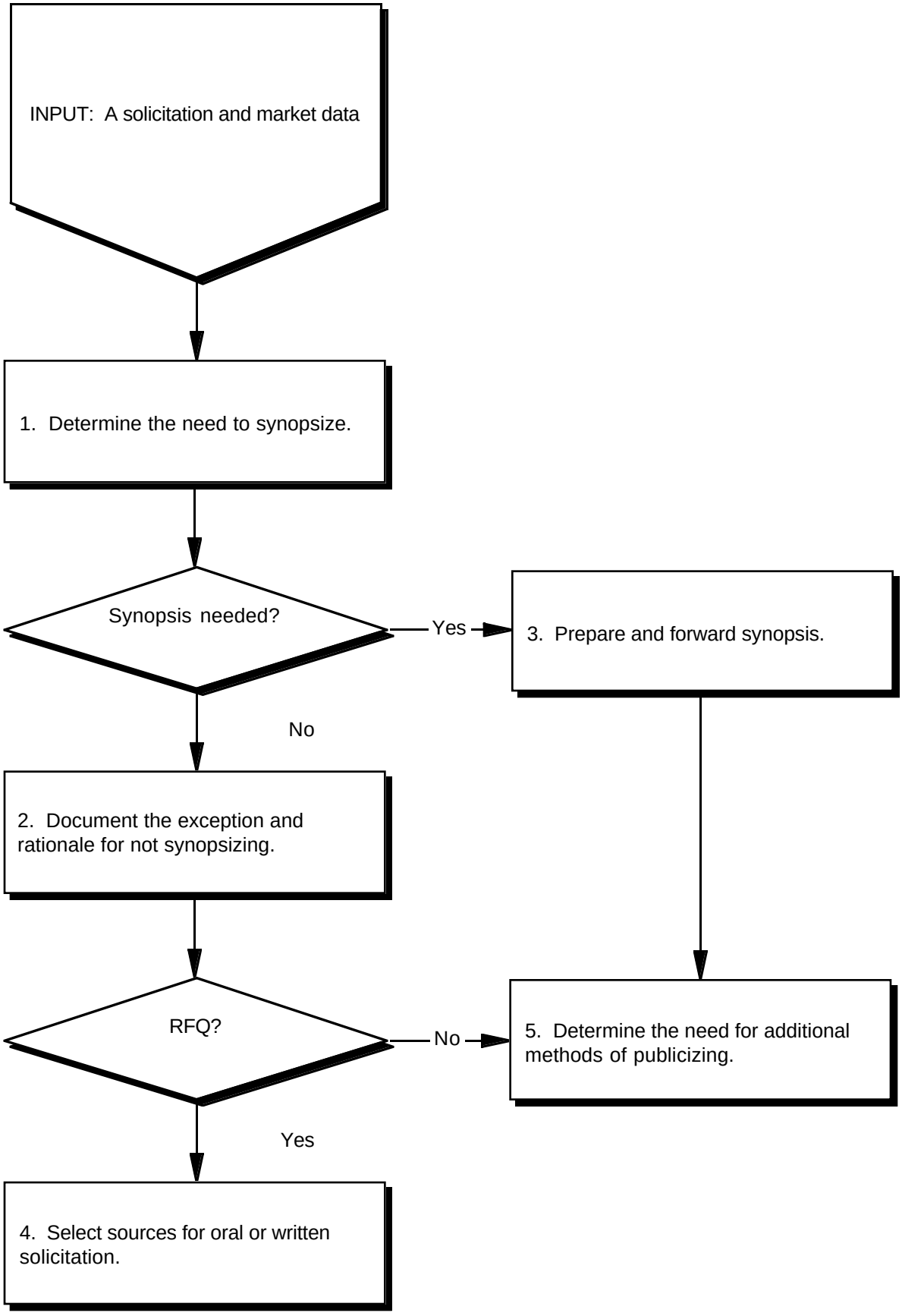
Other KSA's

1. Knowledge of procedures and standard format for electronic transmission of CBD notices.

2. Knowledge of methods, media, and guidelines for advertising and publicity (from Marketing).

Other Policies and References (Annotate As Necessary):

PUBLICIZING PROPOSED PROCUREMENTS



UNIT 24 PUBLICIZING PROPOSED PROCUREMENTS

Tasks	Related Standards
1. Determine the need for synopsizing a solicitation (FAR 5.101(a) and 5.201). Potential issues: • Is a synopsis required? • Is the proposed procurement eligible for an exception to the synopsis requirement (5.202)? • If not required, would synopsizing nonetheless be advantageous to the Government?	1. Correctly interprets FAR policies on whether a synopsis is required (e.g., in the Commerce Business Daily).
2. Prepare documentation for the file citing the exception and reasons for not synopsizing.	
3. Prepare and forward the synopsis.	3. Correctly prepare the synopsis.
4. If the RFQ will not be synopsized, select vendors for oral or written non-Governmentwide Point of Entry (GPE) solicitations under SAT.	4. Do NOT plan to solicit: • Based on personal preference. • Only from suppliers of well-known and widely distributed makes or brands (absent acceptable justification for restricting competition to a single brand-name — see Unit 10). Generally, solicit at least three sources, and, if practicable, solicit from two sources not included in the previous solicitation. Correctly consider the following factors in determining the number of vendors to solicit: • Whether there is good rationale to solicit from only one source (from Unit 10). • The nature of the article or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or is relatively noncompetitive. • Information obtained in making recent purchases of the same or similar item. • The urgency of the proposed purchase. • The dollar value of the proposed purchase. • Past experience concerning specific dealers' prices.

Tasks	Related Standards
5. Determine the need for, and, if needed, implement additional methods of publicizing. Among the options: • Posting a notice of the procurement in a public place at the contracting office issuing the solicitation. • Handouts. • Notices to trade associations. • Brief announcements to newspapers, trade journals, magazines, or other mass communication media without cost to the Government. • Paid advertisements. • Electronic bulletin boards.	5. Post (either electronically or in a public place) notice of proposed contract actions exceeding $10,000 through $25,000 (or for Defense agencies exceeding $5,000 through $25,000). Include all information in the notice required by the FAR.

UNIT 24 PUBLICIZING PROPOSED PROCUREMENTS

Tasks	Related Standards

UNIT 25 ORAL SOLICITATION

September 1998

Duty	Conduct oral solicitations.
Conditions	Given Purchase Requests and a decision to conduct an oral solicitation.
Overall Standard(s)	Describe the requirement in complete and unambiguous terms. Do not compromise quotes from other vendors. If soliciting quotes under the total small business set aside, provide quoters with substantially the same information as conveyed by the clause at FAR 52.219-6.

UNIT 25 ORAL SOLICITATION

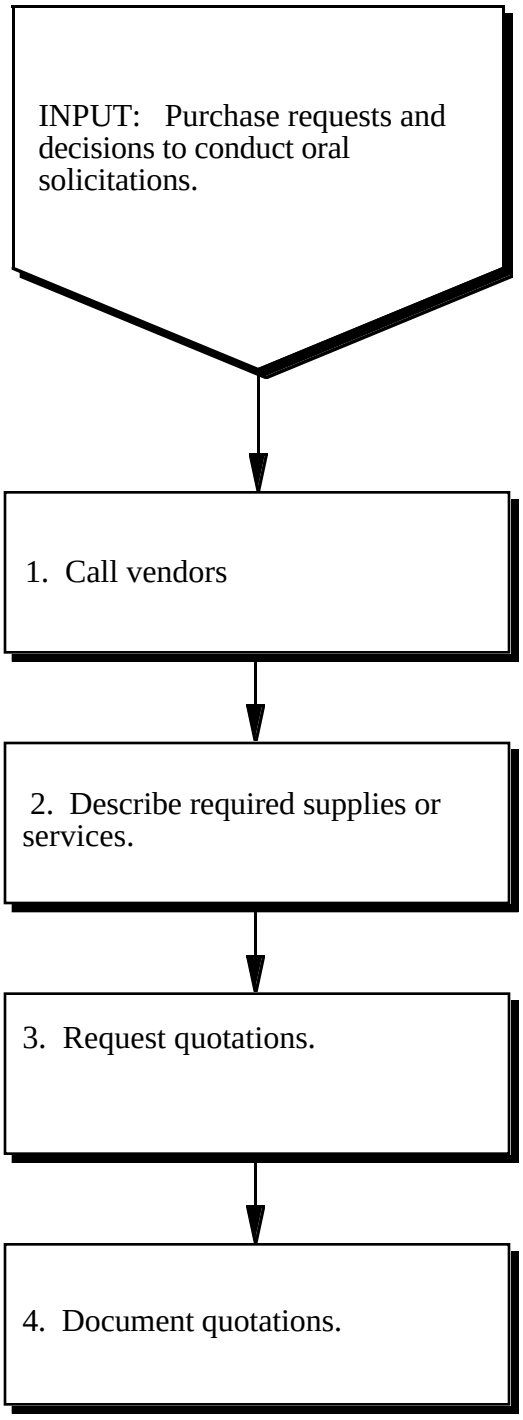
Policies

FAR	*Agency Suppl.*	*Subject*
13.003(b)(2)		Conveying FAR Part 19 provisions during oral solicitations.
13.106-1(c)		Preference for oral solicitation (and limits on its use).
15.203(f)		Oral RFPs.
52.219-6		Notice of Total Small Business Set-Aside

Other KSA's

Other Policies and References (Annotate As Necessary):

STEPS IN ORAL SOLICITATION



UNIT 25 ORAL SOLICITATION

Tasks	Related Standards
1. Call vendors. • Identify yourself by agency/division. • Confirm that the vendors will accept oral solicitations. • Convey the fact that this purchase is reserved for small business concerns.	1. If the vendor does not accept oral solicitations, go to next vendor.
2. Describe the required supplies or services. • Item description (e.g., model or part number). • Quantity and quality needed. • Delivery or performance date. • Delivery or performance site. • Any other term or condition planned for the purchase order that would affect the development of a firm quotation.	2. Consistently describe the requirement from one call to the next. Do not disclose any information on other quotations.
3. Request quotation. • Unit or lot price • Vendor method of shipment/delivery (if applicable). • Acceptable method of payment. • Any prompt payment discounts (should not be considered in quote evaluation). • Name of person providing the quote.	
4. Document quotations.	

UNIT 26 SOLICITATION PREPARATION

February 1999

Part A: Preparing written requests for quotations.

Duties

1. Select and complete provisions and clauses to request quotations.
2. Tailor or draft provisions and clauses, where appropriate.
3. Assemble and prepare solicitations for issuance.

Conditions

Given Purchase Requests, acquisition histories, data on the market, a decision to use the simplified acquisition procedures prescribed by FAR Part 13, a decision to solicit quotations in writing rather than orally, and other presolicitation business decisions from Units 1 through 23.

Overall Standard(s)

Select the format appropriate for the acquisition (e.g., electronic commerce input screen, SF 18 or agency equivalent, SF 1449, or a combined CBD synopsis/solicitation). Incorporate all clauses and provisions required for the procurement, given prior decisions on whether the requirement is for a commercial item, type of contract, nature of goods or services being procured, method of procurement, et. al. Select or draft other terms and conditions that represent a net benefit in terms of improving the probability of attaining the Government's minimum needs on-time and at a fair and reasonable price.

Except as otherwise directed by FAR Part 12, only incorporate terms and conditions in FAR Part 12 solicitations for commercial items that are consistent with customary commercial practice for the market. Where permitted, incorporate customary commercial terms and conditions for the market that will improve the probability of satisfying the Government's minimum needs on-time and at a fair and reasonable price.

Part B: Preparing requests for proposals.

Duties

1. Select and complete provisions and clauses for requesting proposals.
2. Tailor or draft provisions and clauses, where appropriate.
3. Assemble and prepare solicitations for issuance.

Conditions

Given Purchase Requests, acquisition histories, a decision to use FAR Part 15 procedures rather than FAR Part 13 Simplified Acquisition Procedures (SAP) or FAR Part 14 sealed bidding procedures, data on the market, and other presolicitation business decisions from Units 1 through 23.

UNIT 26 SOLICITATION PREPARATION

February 1999

Overall Standard(s)

Select the format appropriate for the acquisition (e.g., the combined CBD synopsis/solicitation or SF 1449 for commercial items). Incorporate all clauses and provisions required for the procurement, given prior decisions on whether the requirement is for a commercial item, method of procurement, type of contract, nature of goods or services being procured, method of procurement, et. al. Select or draft other terms and conditions that represent a net benefit in terms of improving the probability of attaining the Government's minimum needs on-time and at a fair and reasonable price.

Except as otherwise directed by FAR Part 12, only incorporate terms and conditions in FAR Part 12 solicitations for commercial items that are consistent with customary commercial practice for the market. Where permitted, incorporate customary commercial terms and conditions for the market that will improve the probability of satisfying the Government's minimum needs on-time and at a fair and reasonable price.

Part C: Preparing invitations for bids

Duties

1. Select and complete provisions and clauses for sealed bidding solicitations.

2. Tailor or draft provisions and clauses, where appropriate.

3. Assemble and prepare solicitations for issuance.

Conditions

Given Purchase Requests, acquisition histories, data on the market, and presolicitation business decisions from Units 1 through 23.

Overall Standard(s)

Select the format appropriate for the acquisition (e.g., the combined CBD synopsis/solicitation or SF 1449 for commercial items). Incorporate all clauses and provisions required for the procurement, given prior decisions on whether the requirement is for a commercial item, method of procurement, type of contract, nature of goods or services being procured, method of procurement, et. al. Select or draft other terms and conditions that represent a net benefit in terms of optimizing the expected value to the Government. Tailor the solicitation to reflect the complexity of the requirement, the associated risks, and the amount of Government resources available to conduct the acquisitions.

Except as otherwise directed by FAR Part 12, only incorporate terms and conditions in FAR Part 12 solicitations for commercial items that are consistent with customary commercial practice for the market. Where permitted, incorporate customary commercial terms and conditions for the market that will improve the probability of satisfying the Government's minimum needs on-time and at a fair and reasonable price.

UNIT 26 SOLICITATION PREPARATION

February 1999

UNIT 26 SOLICITATION PREPARATION

Policies

FAR	*Agency Suppl.*	*Subject*
1.4		Deviations from FAR provisions and clauses.
5.203 19.202-4		Time requirements for opening and closing dates.
12.204		SF 1449; allowing fewer than 15 days before issuance of the solicitation.
12.205(c)		Allowing fewer than 30 days response time for receipt of offers for commercial items.
12.3		Solicitation provisions and contract clauses for the acquisition of commercial items.
12.603		Combined CBD synopsis/solicitation
13.004		Legal effect of quotations
13.006		Inapplicable provisions and clauses.
13.101(b)(2)		Incorporating by reference.
13.105		Use of the combined synopsis/solicitation when acquiring commercial items through FAR Part 13 procedures.
13.106-1(d)		Written solicitations.
13.302-3(a)		Requiring written acceptance of purchase orders.
13.302-5		Clauses
14.202 15.200		General instructions on IFBs and RFPs.
14.213		Annual reps and certs.
14.203-3 15.205(b)		Master solicitations.
14.201 15.204		Uniform Contract Format, Simplified Contract Format, and related forms.
15.203		Requests for Proposals (RFPs).
15.205		Issuing solicitations.
15.209 - 210		Solicitation provisions, contract clauses, and forms.
35.007(d)		R&D solicitations
52.214-13		Telegraphic bids.
52.214-15 52.214-16		Acceptance periods for offers.
52.215-1		Instructions to Offerors--Competitive Acquisition.
52.252-1 thru 52.252-6		Alterations, and deviations, and incorporation by reference.
52.3		Matrices.

For specific clauses and provisions, see Appendices I and II and related sections of Parts 1-51 that prescribe the use of the contract clauses or solicitation provisions in those appendices. Examples include FAR subpart 11.504 (determining the applicability of a liquidated damages clause and instructions for completing the clause); 27.200, 201, 202-2, 203, 204, 206, 207, 303, 304-1(f), and 306 (applicability of patent-related clauses); 27.400 to 409 (applicability of clauses on rights in data and copyrights); and 46.701 to 710 (applicability of warranty clauses).

Other KSA's

1. Standard Forms 18, 33 and 1449; Optional Forms 308, 336, and 347.

2. Skill at using clear and concise language in developing the solicitation schedule and evaluation factors for award.

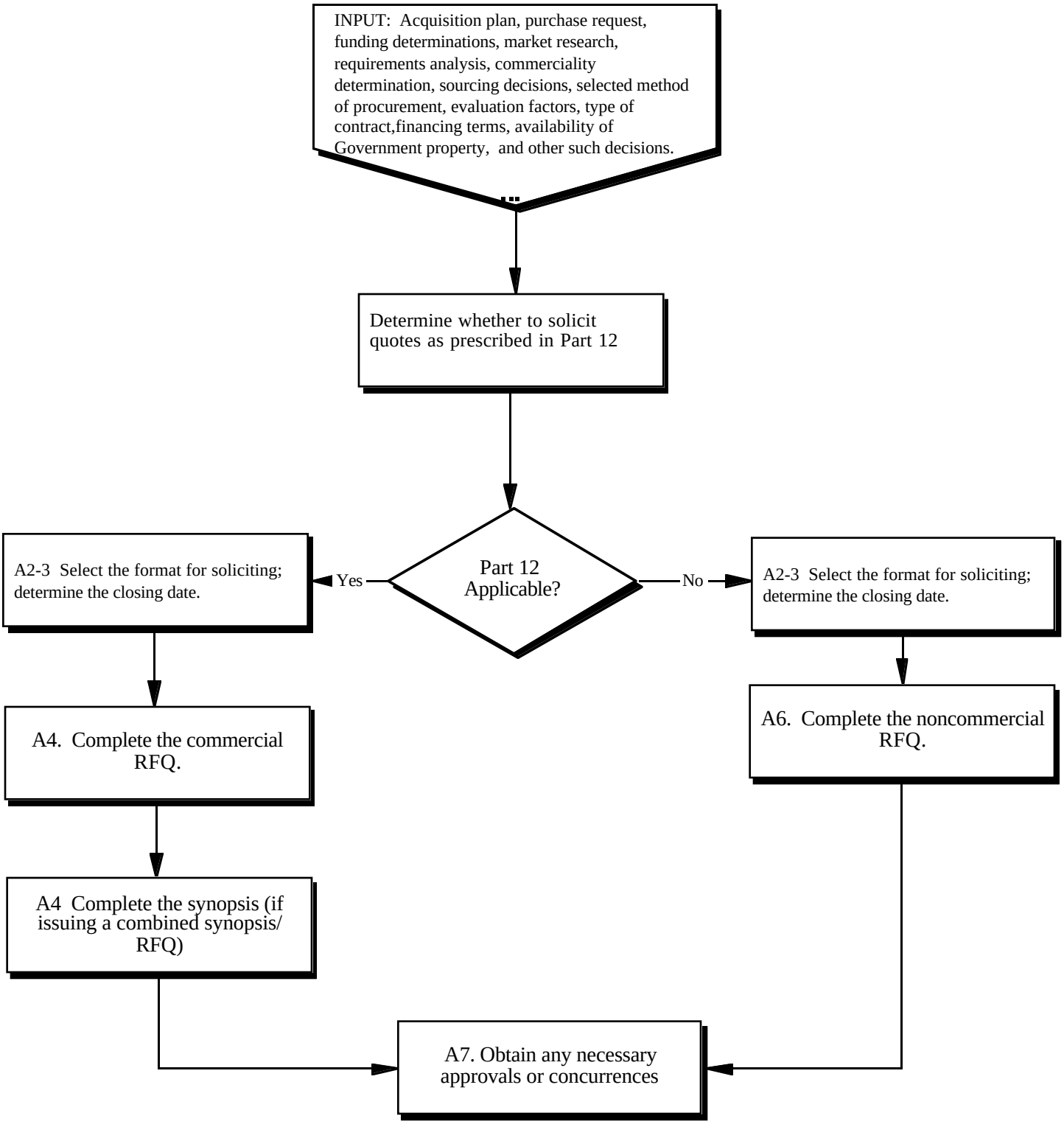
3. Skill at using FAR matrices.

4. Knowledge of the purpose and intent of the different required, required when applicable, and optional clauses, along with the benefits and disadvantages of each such clause and conditions for use.

5. Knowledge of the nature and classes of contracts (e.g., elements; competent parties; formation; intent to make a binding agreement; express and implied; valid and voidable; executed vs. executory; bilateral vs. unilateral), agreements (e.g., offers—requirements of, actions precedent to, expiration of, revocation of, acceptance of, confirmation of; contractual capacity; terms and conditions; modification of agreements), consideration (e.g., definition; effect of absence; promises as; present vs. past; forbearance; adequacy; exceptions to requirement), legality (e.g., legality of purpose; good faith and fairness; unconscionable and oppressive contracts), and contract interpretation (e.g., parole evidence rule; rules of construction and interpretation; typical problems)—from Business Law.

Other Policies and References (Annotate As Necessary):

FLOWCHART OF STEPS IN PREPARING AN RFQ



UNIT 26 SOLICITATION PREPARATION

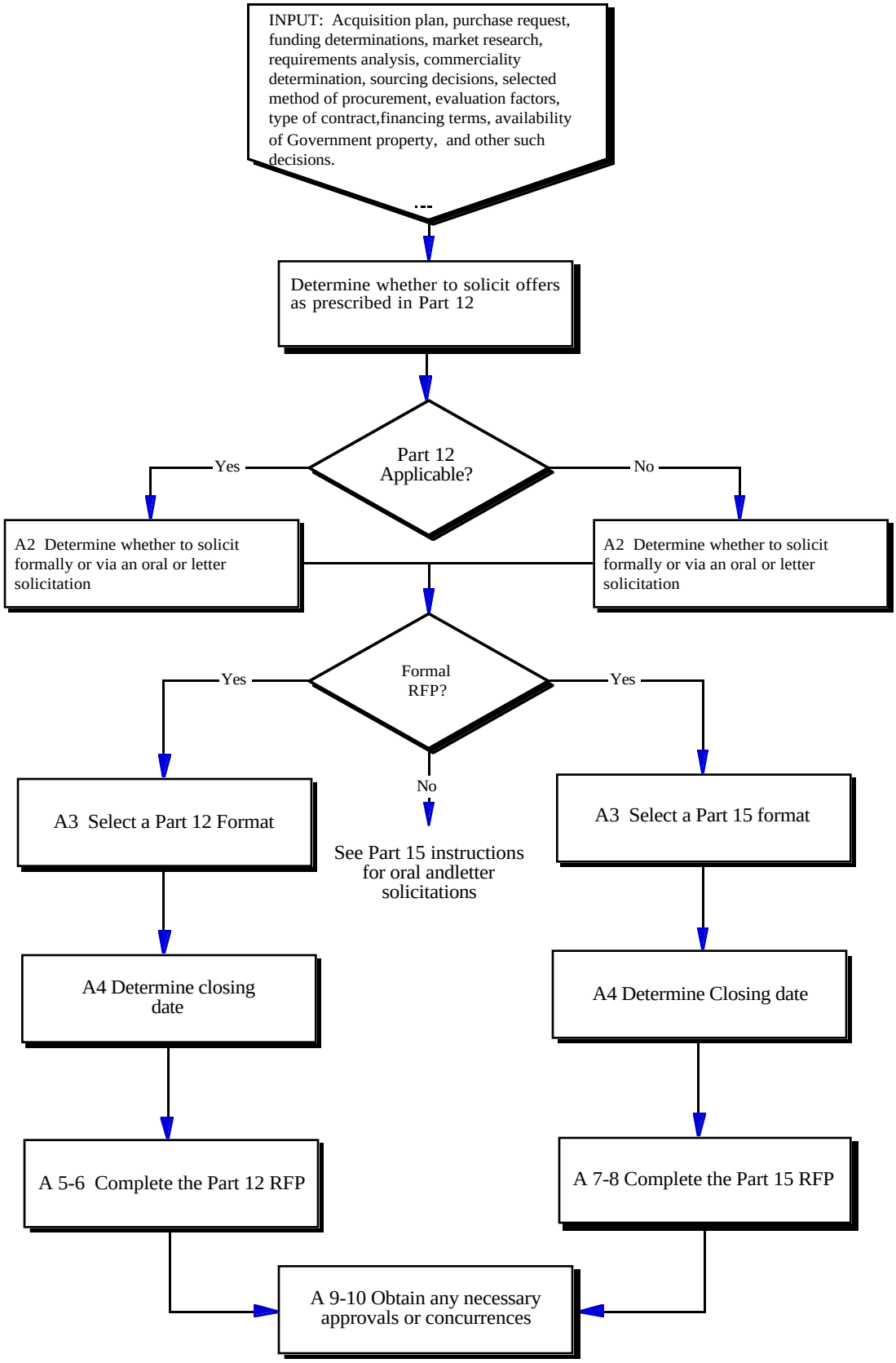
Part A: Preparing requests for quotations

Tasks	Related Standards
1. Reverify determination on applicability of FAR Part 12 (from Unit 6).	A1. Solicit quotes as prescribed in Part 12 when the requirement can be met by a commercial item. If the requirement is for other than a commercial item, insert the new FAR clause 52.244-6, "Subcontracts for Commercial Items and Commercial Components" in the solicitation.
2. Select the format for the solicitation. Choices: • Electronic commerce input screen • Combined CBD Synopsis/ Solicitation. • SF 1449 and related clauses/provisions. • OF 347 or agency equivalent. • Other formats	A2. Use the Combined CBD Synopsis/Solicitation when: • Acquiring commercial items, and • The combined synopsis/solicitation would not exceed 12,000 textual characters (i.e., the solicitation is relatively simple and no lengthy addenda are necessary). Use the SF 1449 (paper or electronic) for requirements to solicit quotes for commercial items.
3. Establish deadline for submission of quotations. Basis: • Degree of urgency. • Complexity of the requirement. • Geographic distribution of quoters. • Normal mailing times.	A3. Establish a response time which will give quoters a reasonable opportunity to respond following release of the RFQ.

Tasks	Related Standards
4. Complete RFQs for commercial items. Note: this task is the same whether being issued in combination with the synopsis or not. Steps: • Prepare addenda for the provision at 52.212-1 to solicit quotes; attach the addendum to the SF 1449. • If necessary, prepare addenda tailoring the clause at 52.212-4; attach the addendum to the SF 1449. • Attach the provision at 52.212-3. • Mark applicable clauses in 52.212-5; attach the marked 52.212-5 to the SF 1449. • Identify and attach any other provision or clause required by the agency FAR supplement. • Identify, prepare, and attach any other provision or clause consistent with commercial practice and necessary for the procurement. • Complete all blocks in the SF 1449 or equivalent electronic commerce form.	A4. Correctly prepare the SF 1449 or electronic commerce input screens. Identify and incorporate all provisions and clauses required by FAR Part 12. Only tailor the clause at 52.212-4 when: • Data from market research demonstrates that the addenda incorporates customary commercial terms and conditions for that market, or • The prohibition on incorporating noncommercial terms has been waived in accordance with agency procedures. Regardless of commercial practice, do not tailor any term or condition in the clause at 52.212-4 that implements statutory requirements (e.g., assignments, disputes, payment, invoice, other compliances, and compliance with laws unique to Government contracts). Correctly document any request to tailor the clause at 52.212-4 to incorporate a non-commercial term or condition. Correctly identify all clauses in 52.212-5 that apply to the acquisition based on FAR prescriptions for those clauses.
5. When using the combined CBD synopsis/solicitation, complete the synopsis.	
6. Complete RFQs for noncommercial items.	A7 Correctly identify, complete, and incorporate all applicable required clauses and provisions, given decisions made in the procurement planning process (i.e., from Units 1-23). Correctly determine which terms must be referenced and which must appear in full text. Select optional clauses and draft new clauses that will improve the probability of attaining the Government's minimum needs on-time and at a fair and reasonable price. Establish delivery or performance schedules as provided in FAR subpart 11.4.

Tasks	Related Standards
7. Obtain legal, requiring activity, technical or management concurrence.	
8. Make the RFQ available to interested parties. Among methods: • Issuing the RFQ to selected vendors. • Upon request, mailing to other interested sources (advising the requestor of any limits on competition). • Providing copies on a "first-come first-served" basis for pickup at the contracting office to publishers, trade associations, and other such interested parties. • Retaining a copy for review and duplication upon the request of an interested party. • Distributing the RFQ electronically.	A8. If requested by a small business, also furnish a copy of the specifications, the name and telephone number to call with questions about the solicitation, and adequate citations to each applicable Federal law or agency rule with which small business concerns must comply in performing the contract. May require payment of a fee for a copy of solicitation documents that does not exceed the cost of duplication. Note: You may limit availability of the solicitation to the applicable electronic medium when employing electronic commerce.

FLOWCHART OF STEPS IN PREPARING AN RFP



UNIT 26 SOLICITATION PREPARATION

Part B: Preparing requests for proposals

Tasks	Related Standards
1. Reverify determination on applicability of FAR Part 12 (from Unit 6).	B1. Solicit offers as prescribed in Part 12 when the requirement can be met by a commercial item. If the requirement is for other than a commercial item, insert the new FAR clause 52.244-6, "Subcontracts for Commercial Items and Commercial Components" in the solicitation.
2. Determine whether to solicit orally, by letter RFP, by reference to a master solicitation, or by a formal solicitation.	B2. Only solicit orally when acquiring perishable subsistence or when a written solicitation would delay the acquisition to the detriment of the Government. Document the oral solicitation as prescribed in FAR 15. 203(f). Only use a letter RFP when authorized to use less than full and open competition. Do not solicit at all unless there is a definite intention to award a contract (unless issuing a request for information, as described in Unit 5).
3. If preparing a formal solicitation, select the format for the solicitation. Choices: • Combined CBD Synopsis/ Solicitation. • SF 1449 and related clauses/provisions. • Uniform Contract Format (UCF). • Other formats	B3. Use the Combined CBD Synopsis/Solicitation when: • Acquiring commercial items, and • The combined synopsis/solicitation would not exceed 12,000 textual characters (i.e., the solicitation is relatively simple and no lengthy addenda are necessary). Use the SF 1449 to solicit offers for all other commercial items. Correctly list types of procurements for which the Uniform Contract Format is not required (e.g., construction, A&E, shipbuilding, subsistence, etc.).

UNIT 26 SOLICITATION PREPARATION

Part B: Preparing requests for proposals

Tasks	Related Standards
4. Establish closing date and time. Basis: • Degree of urgency. • Complexity of the requirement. • Anticipated extent of subcontracting. • Whether use was made of presolicitation notices. • Geographic distribution of the offerors. • Normal mailing times for the RFP and offers.	B4. Establish a response time which affords potential offerors a reasonable opportunity to respond. *Soliciting Offers for Commercial Items* The closing date may following the solicitation issuance date by as few as 15 days. When a combined CBD synopsis/ solicitation is employed, the solicitation issuance date is the same as the CBD date. *Soliciting Offers for Non-Commercial Requirements* When a synopsis is required, allow at least 45 calendar days between publication of the synopsis in the CBD and the closing date for proposal submission (at least 15 days between the publication date and issuance of the RFP; at least 30 days between issuance of the RFP and the closing date). Also take into account the time between transmittal of the synopsis to the CBD and its publication in the CBD (up to 10 days following transmittal of a written notice) as provided in FAR 5.203.

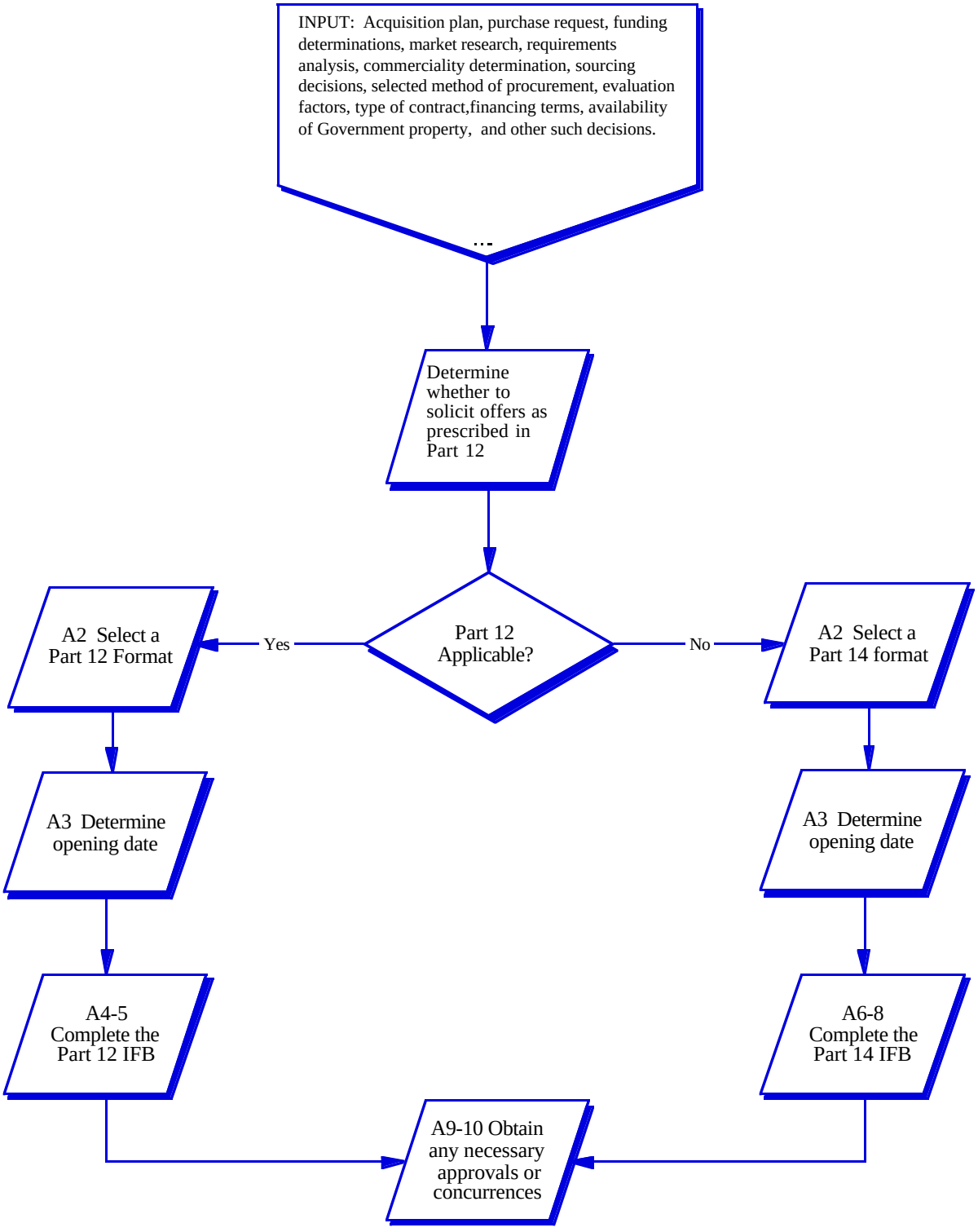
Tasks	Related Standards
5. When using SF 1449 as the cover sheet, complete the request for proposals. Steps: • If necessary, prepare addenda tailoring the provision at 52.212-1; attach the addendum to the SF 1449. • If necessary, prepare addenda tailoring the clause at 52.212-4; attach the addendum to the SF 1449. • Attach the provision at 52.212-3. • Mark applicable clauses in 52.212-5; attach the marked 52.212-5 to the SF 1449. • Identify and attach any other provision or clause required by the agency FAR supplement. • Identify, prepare, and attach any other provision or clause consistent with commercial practice and necessary for the procurement. • Complete all blocks in the SF 1449.	B5. Correctly prepare the SF 1449 and all attachments. Identify and incorporate all required provisions and clauses in FAR Part 12. Only tailor the clause at 52.212-4 when: • Data from market research demonstrates that the addenda incorporates customary commercial terms and conditions for that market, or • The prohibition on incorporating noncommercial terms has been waived in accordance with agency procedures. Regardless of commercial practice, do not tailor any term or condition in the clause at 52.212-4 that implements statutory requirements (i.e., assignments, disputes, payment, invoice, other compliances, and compliance with laws unique to Government contracts). Correctly document any request to tailor the clause at 52.212-4 to incorporate a non-commercial term or condition. Correctly identify all clauses in 52.212-5 that apply to the acquisition based on FAR prescriptions for those clauses.
6. When using the combined CBD synopsis/solicitation, complete the synopsis.	

Tasks	Related Standards
7. Complete the RFP using the UCF. Part I—The Schedule (from Units 3, 5, and 6): A. Solicitation/contract form. SF 18, SF33, **OF 308, plain paper format (15.204-2(a)),** or agency equivalent. B. Supplies or services and prices. OF 336 or agency equivalent. For each line item, record: • Item number. • National stock or part number (if any). • Name or short title. • Quantity. C. Description/specifications (From Units 3, 6, and 7). D. Packaging and marking. Packaging, packing, preservation, and marking requirements, if any (from Units 3, 6, and 7). E. Inspection and acceptance. Inspection, acceptance, quality assurance, and reliability requirements (from Units 3, 6, and 7). (See Appendix II for FAR clauses to highlight in training.) F. Deliveries or performance. Time, place, and method of delivery or performance (from Units 3, 6, and 7). (See Appendix II for FAR clauses to highlight in training.) G. Contract administration data. Any required accounting and appropriation data; any required contract administration information or instructions other than those on the solicitation form (from Units 3, 6, and 7). H. Special contract requirements. • For unique and significant features. • Use to highlight a few exceptional requirements (from Units 3, 6, and 7).	B7. Use the OF 308, if possible. However, if this would inhibit the use of electronic contracting for the instant acquisition, plain paper formats (that require submission of the same information) may be used. Also, if you have an existing stock of Standard Forms, you may continue to use them if it makes sense at your activity, and electronically generated Standard Forms that are already in use at your activity may also be used until it makes sense to reprogram your automated systems for the optional forms. The optional forms are easier to understand, as they are written in "plain English." Correctly identify and complete all required FAR clauses and provisions that apply to the procurement, given decisions made in the procurement planning process (i.e., from Units 1-23). (For on-the-job training, also select all required agency clauses and provisions that apply to the procurement). Select optional clauses and draft new clauses that optimize the expected outcome of the acquisition. Correctly determine which clauses and provisions must be referenced and which must appear in full text. Delivery or performance schedules in F should be established as provided in FAR subpart 11.4. Do not normally specify delivery or performance schedules that may require overtime at Government expense.

Tasks	Related Standards
Part II—Contract Clauses (from Units 3-23). I. Contract clauses. (See Appendix II for FAR clauses to highlight in training.) Include: • Required FAR clauses. • FAR clauses that are required when applicable for the supplies or services being acquired, method of procurement, and/or type of contract. • Optional FAR clauses. • Agency required or optional clauses. • Special clauses drafted for the procurement.	
Part III—List of Documents, Exhibits, and Other Attachments J. List of documents, exhibits, and other attachments . (List title, date, and number of pages for each attachment.)	
Part IV—Representations and Instructions (from Units 3-23). K. Representations, certifications, and other statements of offerors. Include solicitation provisions that require representations, certifications, or the submission of other data by bidders. (See Appendix II for FAR provisions to highlight in training.) L. Instructions, conditions, and notices to offerors. (See Appendix II for FAR provisions to highlight in training.) Include: • Required FAR solicitation provisions. • FAR solicitation provisions that are required when applicable for the supplies or services being acquired, method of procurement, and/or type of contract. • Optional FAR solicitation provisions. • Agency required or optional solicitation provisions. • Special solicitation provisions drafted for the procurement. M. Evaluation factors for award. (See Appendix II for FAR provisions to highlight in training.) Identify selection factors (from Units 15 and 16).	B. (Part IV). Instruct prospective offerors to submit technical proposals in severable parts, with (at minimum) separation of technical and cost/pricing data, where this will improve the Government's efficiency in reviewing the proposals. If offerors annually submit representations and certifications, include the FAR clause at 52.215- 7. Do not include in individual solicitations the full text of provisions that are contained in the annual representations and certifications.
8. Prepare letter contracts.	8. Letter contracts comply with FAR 15.203(e)

Tasks	Related Standards
9. Obtain agency head approval for any deviations from FAR clauses or provisions.	
10. Obtain legal, requiring activity, technical or management concurrence.	
11. Make the solicitation available to interested parties. Among methods: • Issue the solicitation to firms on the mailing list. • Upon request, mailing to other interested sources (advising the requestor of any limits on competition). • Providing copies on a "first-come first-served" basis for pickup at the contracting office to publishers, trade associations, and other such interested parties. • Retaining a copy for review and duplication upon the request of an interested party. • Distribute the solicitation electronically.	B11. If requested by a small business, also furnish a copy of the specifications, the name and telephone number to call with questions about the solicitation, and adequate citations to each applicable Federal law or agency rule with which small business concerns must comply in performing the contract. May require payment of a fee for a copy of solicitation documents that does not exceed the cost of duplication. Note: You may limit availability of the solicitation to the applicable electronic medium when employing electronic commerce. When restricting competition under FAR Part 6, you must provide copies of the RFP at their request to firms not solicited — but must also advise them of your determination to limit competition to selected firms.

Flowchart Of Steps in Preparing Invitations for Bids



UNIT 26 SOLICITATION PREPARATION

Part C: Preparing invitations for bids

Tasks	Related Standards
1. Determine whether to solicit bids as prescribed by FAR Part 12.	C1. Solicit bids as prescribed in Part 12 when the requirement can be met by a commercial item. If the requirement is for other than a commercial item, insert the new FAR clause 52.244-6, "Subcontracts for Commercial Items and Commercial Components" in the solicitation.
2. Select the format for the solicitation. Choices: • Combined CBD Synopsis/ Solicitation. • SF 1449 and related clauses/provisions. • Uniform Contract Format (UCF). • Other formats	C2. Use the Combined CBD Synopsis/Solicitation when: • Acquiring commercial items, and • The combined synopsis/solicitation would not exceed 12,000 textual characters (i.e., the solicitation is relatively simple and no lengthy addenda are necessary). Use the SF 1449 to solicit offers for all other commercial items. Correctly list types of non-commercial procurements for which the Uniform Contract Format is not required (e.g., construction, A&E, shipbuilding, subsistence, etc.).

UNIT 26 SOLICITATION PREPARATION

Part C: Preparing invitations for bids

Tasks	Related Standards
3. Establish opening dates and times. Basis: • Degree of urgency. • Complexity of the requirement. • Anticipated extent of subcontracting. • Whether use was made of presolicitation notices. • Geographic distribution of the bidders. • Normal mailing times for the IFB and bids.	C3. Establish a response time which affords potential bidders a reasonable opportunity to respond. *Soliciting Offers for Commercial Items* The opening date may following the date is solicitation issuance by as few as 15 days. When a combined CBD synopsis/ solicitation is employed, the solicitation issuance date is the same as the CBD date. *Soliciting Offers for Non-Commercial Requirements* When a synopsis is required, allow at least 45 calendar days between publication of the synopsis in the CBD and the opening of bids (at least 15 days between the publication date and issuance of the IFB; at least 30 days between issuance of the IFB and bid opening). Also take into account the time between transmittal of the synopsis to the CBD and its publication in the CBD (up to 10 days following transmittal of a written notice) as provided in FAR 5.203.

Tasks	Related Standards
4. When using SF 1449 as the cover sheet, complete the invitation for bids. Steps: • Prepare addenda for the provision at 52.212-1 to tailor the provision for sealed bidding; attach the addendum to the SF 1449. • If necessary, prepare addenda tailoring the clause at 52.212-4; attach the addendum to the SF 1449. • Attach the provision at 52.212-3. • Mark applicable clauses in 52.212-5; attach the marked 52.212-5 to the SF 1449. • Identify and attach any other provision or clause required by the agency FAR supplement. • Identify, prepare, and attach any other provision or clause consistent with commercial practice and necessary for the procurement. • Complete all blocks in the SF 1449.	C4. Correctly prepare the SF 1449 and all attachments. Identify and incorporate all provisions and clauses required by FAR Part 12. Only tailor the clause at 52.212-4 when: • Data from market research demonstrates that the addenda incorporates customary commercial terms and conditions for that market, or • The prohibition on incorporating noncommercial terms has been waived in accordance with agency procedures. Regardless of commercial practice, do not tailor any term or condition in the clause at 52.212-4 that implements statutory requirements (e.g., assignments, disputes, payment, invoice, other compliances, and compliance with laws unique to Government contracts). Correctly document any request to tailor the clause at 52.212-4 to incorporate a non-commercial term or condition. Correctly identify all clauses in 52.212-5 that apply to the acquisition based on FAR prescriptions for those clauses.

Tasks	Related Standards
5. When using the combined CBD synopsis/solicitation, complete the synopsis.	

Tasks	Related Standards
6 Determine whether to use a master solicitation.	C6 Reference the date of the current master and any changes thereto in the individual solicitation.
7. Complete the IFB using the UCF. Part I—The Schedule: A. Solicitation/contract form. SF33 or agency equivalent. B. Supplies or services and prices. OF 336 or agency equivalent. For each line item, record (from Units 3 and 6): • Item number. • National stock or part number (if any). • Name or short title. • Quantity. C. Description/specifications (from Units 3 and 6). D. Packaging and marking. Packaging, packing, preservation, and marking requirements, if any (from Units 3 and 6).	C7 Correctly identify, complete, and incorporate all required clauses and provisions that apply to the procurement, given decisions made in the procurement planning process (i.e., from Units 1-23). Correctly determine which must be referenced and which must appear in full text. Select optional clauses and draft new clauses that will improve the probability of attaining the Government's minimum needs on-time and at a fair and reasonable price. Delivery or performance schedules in F should be established as provided in FAR subpart 11.4.
E. Inspection and acceptance. Inspection, acceptance, quality assurance, and reliability requirements (from Units 3 and 6). (See Appendix I for FAR clauses to highlight in training.) F. Deliveries or performance. Time, place, and method of delivery or performance (from Units 3 and 6). (See Appendix I for FAR clauses to highlight in training.) G. Contract administration data. Any required accounting and appropriation data; any required contract administration information or instructions other than those on the solicitation form (from Units 3 and 6). H. Special contract requirements (from Units 3 and 6). • For unique and significant features. • Use to highlight a few exceptional requirements.	

Tasks	Related Standards
Part II—Contract Clauses I. Contract clauses (from Units 3-23). (See Appendix I for FAR clauses to highlight in training.) • Required FAR clauses. • FAR clauses that are required when applicable for the supplies or services being acquired, method of procurement, and /or type of contract. • Optional FAR clauses. • Agency required or optional clauses. • Special clauses drafted for the procurement.	
Part III—List of Documents, Exhibits, and Other Attachments J. List of documents, exhibits, and other attachments . (List title, date, and number of pages for each attachment.)	
Part IV—Representations and Instructions (from Units 3-23). K. Representations, certifications, and other statements of offerors. Include solicitation provisions that require representations, certifications, or the submission of other data by bidders. (See Appendix I for FAR provisions to highlight in training.)	If bidders annually submit representations and certifications, include the FAR clause at 52.214-29. Do not include in individual solicitations the full text of provisions that are contained in the annual representations and certifications.
L. Instructions, conditions, and notices to offerors. (See Appendix I for FAR provisions to highlight in training.) Include: • Required FAR solicitation provisions. • FAR solicitation provisions that are required when applicable for the supplies or services being acquired, method of procurement, and/or type of contract. • Optional FAR solicitation provisions. • Agency required or optional solicitation provisions. • Special solicitation provisions drafted for the procurement. M. Evaluation factors for award. Identify price-related factors (from Unit 15). (See Appendix I for FAR provisions to highlight in training.)	Among the issues to cover in training employees to select provisions for section L: • Determine whether to establish a minimum bid acceptance period and the length of any such period. • Determine whether to authorize facsimile bids, telegraphic bids or mailgrams.

Tasks	Related Standards
8. Obtain agency head approval for any deviations from FAR clauses or provisions.	
9. Obtain legal, requiring activity, technical or management concurrence.	
10. Make the IFB available to interested parties. Among methods: • Issuing the IFB to firms on the mailing list. • Upon request, mailing to other interested sources (advising the requestor of any limits on competition). • Providing copies on a "first-come first-served" basis for pickup at the contracting office to publishers, trade associations, and other such interested parties. • Retaining a copy for review and duplication upon the request of an interested party. • Distributing the IFB electronically.	11. If requested by a small business, also furnish a copy of the specifications, the name and telephone number to call with questions about the solicitation, and adequate citations to each applicable Federal law or agency rule with which small business concerns must comply in performing the contract. May require payment of a fee for a copy of solicitation documents that does not exceed the cost of duplication. Note: You may limit availability of the solicitation to the applicable electronic medium when employing electronic commerce.

UNIT 26 SOLICITATION PREPARATION

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

FAR CLAUSES AND PROVISIONS FOR IFBs

The following are examples of general FAR clauses and provisions that are required or otherwise might be applicable in Sealed Bidding and Two-Step Sealed Bidding. No examples are provided of provisions and clauses that apply uniquely to specific commodities (e.g., vehicle leasing; utility services, facilities use, facilities acquisition, transportation and transportation related services, ADP, construction, A&E, and major systems). Likewise, no examples are provided of clauses and provisions that apply uniquely to (a) dismantling, demolition, or removal of improvements and (b) to DoD (e.g., 52-228-3), such as DoD priorities and allocations.

When training Part A of Unit 24, provide an overview of UCF Sections and, under each Section, all sub-titles in this Appendix. Note that subtitles represent a functional ordering of clauses, rather than a FAR-prescribed ordering. In addition, provide the following information about each clause and provision.

- A summary of its purpose and contents.
- Criteria for determining its applicability to the given procurement and, where the criteria entail factfinding or judgement on the part of the contracting officer, examples of contracts for which it is appropriate.
- Instructions for completing any portion of the clause or provision that has blanks for input by the contracting officer.

However, do not train the substance of the clause or provision or its implementation when training Unit 26. The substance of the clauses and provisions will be addressed when training other Units.

CLAUSES

SECTION E. INSPECTION AND ACCEPTANCE

Examples:

52.212-4(a)	Contract Terms and Conditions — Commercial Items (Inspection/Acceptance)
52.212-4(n)	Contract Terms and Conditions — Commercial Items (Title)
52.212-4(p)	Contract Terms and Conditions — Commercial Items (Limitation of Liability)
52.246-2	Inspection Of Supplies--Fixed Price.
52.246-4	Inspection Of Services--Fixed Price.

SECTION F. DELIVERIES OR PERFORMANCE

DELIVERY TERMS

Examples:

52.212-4(f)	Contract Terms and Conditions — Commercial Items (Excusable Delays)
52.211-8 & 9	Time of Delivery/Desired and Required Time of Delivery.
52.211-11	Liquidated Damages—Supplies, Services, or Research and Development.
52.211-16	Variation In Quantity.
52.211-17	Delivery of Excess Quantities Of $100 Or Less.
52.242-17	Government Delay Of Work.

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

TRANSPORTATION TERMS

Examples:

52.247-29 to 44/55	F.o.b. Origin/F.o.b. Origin, Contractor's Facility /F.o.b. Origin, Freight Allowed/F.o.b. Origin, Freight Prepaid/F.o.b. Origin, with Differential/F.o.b. Destination/F.o.b. Destination, within Consignee's Premises /F.a.s. Vessel, Port of Shipment/F.o.b. Vessel, Port of Shipment/F.o.b. Inland Carrier, Point of Exportation/F.o.b. Inland Point, Country of Importation/Ex Dock, Pier, or Warehouse, Port of Importation/C.&f. Destination./C.i.f. Destination/F.o.b. Designated Air Carrier's Terminal, Point of Exportation/F.o.b. Designated Air Carrier's Terminal, Point of Importation./F.O.B. Point for Delivery of Government-Furnished Property.
52.247-48	F.o.b. Destination—Evidence of Shipment.
52.247-57	Transportation Transit Privilege Credits.
52.247-58	Loading, Blocking, and Bracing of Freight Car Shipments.
52.247-59 to 61	F.O.B. Origin—Carload and Truckload Shipments/Guaranteed Shipping Characteristics/F.O.B. Origin—Minimum Size of Shipments
52.247-62	Specific Quantities Unknown.

SECTION I. CONTRACT CLAUSES

CONTRACT EXECUTION AND INTERPRETATION

Examples:

52.212-4(e)	Contract Terms and Conditions — Commercial Items (Definitions)
52.212-4(s)	Contract Terms and Conditions — Commercial Items (Order of Precedence)
52.202-1	Definitions.
52.204-1	Approval of Contract.
52.214-29	Order of Precedence—Sealed Bidding.
52.252-2	Clauses Incorporated By Reference.
52.252-4	Alterations In Contracts.
52.252-6	Authorized Deviations In Clauses.

IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Examples:

2.203-3	Gratuities.
52.203-5	Covenant Against Contingent Fees.
52.203-6	Restrictions on Subcontractor Sales to the Government.
52.203-7	Anti-Kickback Procedures.
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity[1]
52.203-12	Limitation on Payments to Influence Certain Federal Transactions[2]

BONDS AND INSURANCE REQUIREMENTS

Examples:

52.228-1-2	Bid Guarantee/Additional Bond Security
52.228-5	Insurance—Work on a Government Installation.

ADDITIONAL INSPECTION AND ACCEPTANCE RELATED REQUIREMENTS

52.246-23	Limitation Of Liability (for damage to Government property (excluding the supplies delivered under this contract)
52.246-25	Limitation of Liability—Services.

[1]FAC 84-60
[2]FAC 84-55

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

TYPE OF CONTRACT

Examples:

52.216-2-4	Economic Price Adjustment—Standard Supplies/Semistandard Supplies/ Labor and Material
52.216-19 to 22	Ordering/Order Limitations/Definite Quantity/Requirements/ Indefinite Quantity.
16.203-4(d)	Economic Price Adjustment.

OPTIONS

Examples:

52.217-6 to 9	Option For Increased Quantity/Option For Increased Quantity--Separately Priced Line Items/Option to Extend Services/Option to Extend the Term of the Contract.

AVAILABILITY OF FUNDS

Examples:

52.232-18	Availability of Funds.
52.232-19	Availability of Funds for the Next Fiscal Year

SET ASIDES FOR SMALL BUSINESS, 8(a), AND LABOR SURPLUS AREA CONCERNS

Examples:

52.219-06 to 07	Notice of Total Small Business Set-Aside/Notice of Notice of Partial Small Business Set-Aside
52.219-18	Notification of Competition Limited to Eligible 8(a) Concerns

CONTRACTOR PURCHASING AND SUBCONTRACTING REQUIREMENTS

Examples:

52.209-6	Protecting The Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns.
52.219-14	Limitations on Subcontracting.
52.222-28	Equal Opportunity Preaward Clearance of Subcontracts.
52.225-11	Restrictions on Certain Foreign Purchases.
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Interprises[3]
52.251-1	Government Supply Sources.

FOREIGN SOURCING

Examples:

52.225-3	Buy American Act--Supplies.
52.225-7	Balance of Payments Program.
52.225-9	Buy American Act—Trade Agreements Act—Balance of Payments Program.
52.225-11	Restrictions on Certain Foreign Purchases.
52.247-63 to 64	Preference for U.S. Flag Air Carriers/Preference for Privately Owned U.S. Flag Commercial Vessels.

LABOR MANAGEMENT REQUIREMENTS

Examples:

52.222-1	Notice to the Government of Labor Disputes
52.222-3	Convict Labor.
52.222-4	Contract Work Hours and Safety Standards Act—Overtime Compensation.
52.222-20	Walsh-Healey Public Contracts Act.
52.222-26	Equal Opportunity

[3]Updated in 2nd. edition.

52.222-35& 37	Affirmative Action for Special Disabled and Vietnam Era Veterans/Employment Reports on Disabled Veterans and Veterans of the Vietnam Era.
52.222-36	Affirmative Action for Workers with Disabilities.
52.222-41	Service Contract Act of 1965, as Amended.
52.222-42	Statement of Equivalent Rates for Federal Hires.
52.222-43	Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts).
52.222-44	Fair Labor Standards Act and Service Contract Act—Price Adjustment.
52.222-47	SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreements (CBA).
52.222-48	Exemption from Application of Service Contract Act Provisions for Contracts for Maintenance, Calibration, and/or Repair of Certain ADP, Scientific and Medical, and/or Office and Business Equipment—Contractor Certification.
52.222-49	Service Contract Act—Place of Performance Unknown.
52.223-6	Drug-Free Workplace

ENVIRONMENTAL PROTECTION AND OCCUPATIONAL SAFETY

Examples:

52.223-2	Clean Air and Water.
52.223-3	Hazardous Material Identification and Material Safety Data.
52.237-2	Protection of Government Buildings, Equipment, and Vegetation.

PATENTS AND RIGHTS IN DATA

Examples:

52.227-1	Authorization and Consent
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement.
52.227-3 & 227-5	Patent Indemnity/Waiver of Indemnity.
52.227-14	Rights in Data—General

PAYMENTS

Examples:

52.212-4(g)	Contract Terms and Conditions — Commercial Items (Invoices)
52.212-4(i)	Contract Terms and Conditions — Commercial Items (Payment)
52.232-1 to 3	Payments.
52.232-8	Discounts For Prompt Payment.
52.232-9	Limitation on Withholding of Payments.
52.232-11	Extras.
52.212-4(b)	Contract Terms and Conditions — Commercial Items (Assignment)
52.232-23 to 4	Assignment of Claims/Prohibition of Assignment of Claims.
52.232-25	Prompt Payment.
52.232-29	Terms for Financing of Purchases of Commercial Items
52.232-30	Installment Payments for Commercial Items

TAXES AND DUTIES

Examples:

52.212-4(k)	Contract Terms and Conditions — Commercial Items (Taxes)
52.225-10	Duty-Free Entry.
52.229-1	State and Local Taxes.
52.229-3	Federal, State, and Local Taxes.
52.229-5	Taxes—Contracts Performed in U.S. Possessions or Puerto Rico

52.229-6	Taxes—Foreign Fixed-Price Contracts
52.229-7	Taxes—Fixed-Price Contracts with Foreign Governments

TRANSPORTATION

Examples:

52.212-4(j)	Contract Terms and Conditions — Commercial Items (Risk of Loss)
52.242-10	F.o.b. Origin—Government Bills of Lading or Prepaid Postage.
52.242-11	F.o.b. Origin—Government Bills of Lading or Indicia Mail.
52.242-12	Report of Shipment.
52.247-1	Commercial Bill of Lading Notations.

GOVERNMENT FURNISHED PROPERTY

Example:

52.245-4	Government-Furnished Property (Short Form).

WARRANTIES

Example:

52.212-4(o)	Contract Terms and Conditions — Commercial Items (Warranty)
52.246-17	Warranty Of Supplies Of A Non-Complex Nature.

MODIFICATIONS

Examples:

52.214-26	Audit--Sealed Bidding.
52.214-27	Price Reduction for Defective Cost or Pricing Data—Modifications—Sealed Bidding.
52.214-28	Subcontractor Cost or Pricing Data—Modifications—Sealed Bidding.
52.212-4(c)	Contract Terms and Conditions — Commercial Items (Changes)
52.243-01	Changes--Fixed Price.

TERMINATION

Examples:

52.212-4(l & m)	Contract Terms and Conditions — Commercial Items (Termination for Covenience; Termination for Cause)
52.249-1	Termination for Convenience of the Government (Fixed-Price) (Short Form).
52.249-4	Termination for Convenience of the Government (Services) (Short Form).
52.249-8	Default (Fixed-Price Supply and Service).

PROTESTS, DISPUTES AND APPEALS

Examples:

52.212-4(d)	Contract Terms and Conditions — Commercial Items (Disputes)
52.233-1	Disputes.
52.233-03	Protest After Award.

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

OTHER

Examples:

52.212-4(q&r)	Contract Terms and Conditions — Commercial Items (Other Compliances; Compliance with Laws Unique to Government Contracts)
52.204-2	Security Requirements.
52.224-1	Privacy Act Notification
52.224-2	Privacy Act
52.242-13	Bankruptcy.[4]

[4]FAC 90-4

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

PROVISIONS

SECTION K. REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF BIDDERS

BID ACCEPTANCE PERIOD

52.214-16	Minimum Bid Acceptance Period.

DISCLOSURE OF BUSINESS PRACTICES

Examples:

52.203-2	Certificate of Independent Price Determination.
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions[5]

INFORMATION ABOUT THE FIRM

Examples:

52.204-3	Taxpayer Identification.
52.204-5	Women-Owned Business
52.204-6	Data Universal Numbering System (DUNS) Number
52.209-5	Certification Regarding Debarment, Suspension, Proposed Debarment, And Other Responsibility Matters.
52.214-2	Type of Business Organization—Sealed Bidding.
52.214-14	Place of Performance—Sealed Bidding Section K. (Unless the place of performance is specified by the Government)
52.214-30	Annual Representations and Certifications.[6]
52.219-1	Small Business Program Representations.

EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATIONS

Examples:

52.222-21	Certification of Nonsegregated Facilities.
52.222-22	Previous Contracts and Compliance Reports.
52.222-25	Affirmative Action Compliance.

ENVIRONMENTAL CERTIFICATIONS

Examples:

52.223-1	Clean Air and Water Certification.
52.223-4	Recovered Material Certifications.

FOREIGN SOURCING CERTIFICATIONS

Examples:

52.225-1	Buy American Certificate.
52.225-6	Balance of Payments Program Certificate.
52.225-8	Buy American Act—Trade Agreements Act—Balance of Payments Program Certificate.

[5]FAC 84-55
[6]FAC 84-53

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

PATENT & ROYALTY NOTICES

Examples:

52.212-4(h)	Contract Terms and Conditions — Commercial Items (Patent Indemnity)
52.227-7	Patents—Notice Of Government Licensee.

ABILITY TO MEET QUALIFICATION REQUIREMENTS

52.209-1	Qualification Requirements

OTHER REQUIRED DATA

Examples:

52.207-4	Economic Purchase Quantity--Supplies.
52.247-53	Freight Classification Description.

SECTION L. INSTRUCTIONS, CONDITIONS, AND NOTICES TO BIDDERS

SOLICITATION DEFINITIONS AND INTERPRETATION

Examples:

52.214-1	Solicitation Definitions—Sealed Bidding.
52.252-1	Provisions Incorporated By Reference.
52.252-3	Alterations In Solicitation.
52.252-5	Authorized Deviations In Provisions.

PREPARING BIDS

Examples:

52.210-6	Listing of Used or Reconditioned Material, Residual Inventory and Former Government Surplus Property.
52.214-3	Amendments To Invitations For Bids.
52.214-4	False Statements in Bids.
52.214-12	Preparation Of Bids.
52.214-13	Telegraphic Bids.
52.214-17	Affiliated Bidders.
52.214-31	Facsimile Bids.[7]
52.214-20	Bid Samples.
52.214-21	Descriptive Literature.

[7]FAC 84-53

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

ADDITIONAL INFORMATION ON THE PROCUREMENT

Examples:

52.207-1	Notice of Cost Comparison (Sealed Bidding)
52.211-1 to 4	Availability of Specifications Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions/Availability of Specifications Listed in the DOD Index of Specifications and Standards (DODISS)/Availability of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions/ Availability for Examination of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions.
52.214-6	Explanation To Prospective Bidders.
52.237-1	Site Visit.
52.247-46	Shipping Point(s) Used in Evaluation of F.o.b. Origin Offers.
52.247-45	F.o.b. Origin and/or F.o.b. Destination Evaluation.

SUBMITTING BIDS

Examples:

52.214-5	Submission Of Bids.
52.214-7	Late Submissions, Modifications, and Withdrawals Of Bids.
52.214-9	Failure To Submit Bid.
52.214-34	Submission of Offers in the English Language.[8]
52.214-35	Submission of Offers in U.S. Currency.[9]

CONTRACT AWARD

Examples:

52.214-15	Period for Acceptance of Bids.
52.214-10	Contract Award--Sealed Bidding.
52.222-24	Preaward On-Site Equal Opportunity Compliance Review.
52.233-02	Service Of Protest.

TWO STEP SEALED BIDDING

Examples:

52.214-23 & 25	Late Submissions, Modifications, and Withdrawals of Technical Proposals under Two-Step Sealed Bidding/Step Two of Two-Step Sealed Bidding Section L. Also see 52.214-24 under Section M. (Issue: Should 2-Step Sealed Bidding be employed?).

SECTION M. EVALUATION FACTORS FOR AWARD

Examples:

52.214-22	Evaluation Of Bids For Multiple Awards.
52.214-24	Multiple Technical Proposals
52.217-3 to 5	Evaluation Of Options/Evaluation Exclusive of Options/Evaluation of Options Exercised at Time of Contract Award
52.247-47/49/50/51/56	Evaluation—F.o.b. Origin/Destination Unknown/No Evaluation of Transportation Costs/Evaluation of Export Offers/Transit Arrangements.

[8]FAC 90-4
[9]FAC 90-4

UNIT 26 SOLICITATION PREPARATION—APPENDIX I

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

FAR CLAUSES AND PROVISIONS FOR RFQs/RFPs

The following are examples of FAR clauses and provisions that are required or otherwise might be applicable in negotiated procurements. No examples are provided of provisions and clauses that apply uniquely to specific commodities (e.g., vehicle leasing; utility services, facilities use, facilities acquisition, transportation and transportation related services, ADP, construction, A&E, and major systems). Likewise, no examples are provided of clauses and provisions that apply uniquely to (a) dismantling, demolition, or removal of improvements and (c) to DoD (e.g., 52-228-3), such as DoD priorities and allocations.

When training Part B of Unit 24, provide an overview of UCF Sections and, under each Section, all sub-titles in this Appendix. Note that subtitles represent a functional ordering of clauses, rather than a FAR-prescribed ordering. In addition, provide the following information about each clause and provision **highlighted in bold print (the others were covered in Part A)**.

- A summary of its purpose and contents.
- Criteria for determining its applicability to the given procurement and, where the criteria entail factfinding or judgement on the part of the contracting officer, examples of contracts for which it is appropriate.
- Instructions for completing any portion of the clause or provision that has blanks for input by the contracting officer.

However, do not train the substance of the clause or provision or its implementation when training Unit 26. The substance of the clauses and provisions will be addressed when training other Units.

CLAUSES

SECTION E. INSPECTION AND ACCEPTANCE

Examples:

52.212-4(a)	Contract Terms and Conditions — Commercial Items (Inspection/Acceptance)
52.212-4(n)	Contract Terms and Conditions — Commercial Items (Title)
52.212-4(p)	Contract Terms and Conditions — Commercial Items (Limitation of Liability)
52.246-2	Inspection Of Supplies--Fixed Price.
52.246-4	Inspection Of Services--Fixed Price.
52.246-3/5 to 9	**Inspection of Supplies—Cost-Reimbursement/Inspection of Services—Cost Reimbursement/Inspection—Time-and-Material and Labor-Hour/Inspection of Research and Development—Fixed Price/Inspection of Research and Development—Cost Reimbursement/Inspection of Research and Development—(Short Form)**.
52.246-11	**Higher-Level Contract Quality Requirement (Government Specification)**.
52.246-15	**Certificate Of Conformance.**
52.246-16	**Responsibility For Supplies.**

SECTION F. DELIVERIES OR PERFORMANCE

DELIVERY TERMS

Examples:

52.212-4(f)	Contract Terms and Conditions — Commercial Items (Excusable Delays)
52.211-8 & 9	Time of Delivery/Desired and Required Time of Delivery.
52.211-11	Liquidated Damages—Supplies, Services, or Research and Development.
52.211-16	Variation In Quantity.

52.211-17	Delivery of Excess Quantities.
52.242-15	**Stop-Work Order**.
52.242-17	Government Delay Of Work.

TRANSPORTATION TERMS

Examples:

52.212-4(j)	Contract Terms and Conditions — Commercial Items (Risk of Loss)
52.247-29 to 44/55	F.o.b. Origin /F.o.b. Origin, Contractor's Facility /F.o.b. Origin, Freight Allowed/F.o.b. Origin, Freight Prepaid/F.o.b. Origin, with Differential/F.o.b. Destination/F.o.b. Destination, within Consignee's Premises /F.a.s. Vessel, Port of Shipment/F.o.b. Vessel, Port of Shipment/F.o.b. Inland Carrier, Point of Exportation/F.o.b. Inland Point, Country of Importation/Ex Dock, Pier, or Warehouse, Port of Importation/C.&f. Destination./C.i.f. Destination/F.o.b. Designated Air Carrier's Terminal, Point of Exportation/F.o.b. Designated Air Carrier's Terminal, Point of Importation./F.O.B. Point for Delivery of Government-Furnished Property.
52.247-48	F.o.b. Destination—Evidence of Shipment.
52.247-57	Transportation Transit Privilege Credits.
52.247-58	Loading, Blocking, and Bracing of Freight Car Shipments.
52.247-59 to 61	F.O.B. Origin—Carload and Truckload Shipments/Guaranteed Shipping Characteristics/F.O.B. Origin—Minimum Size of Shipments
52.247-62	Specific Quantities Unknown.

SECTION I. CONTRACT CLAUSES

CONTRACT EXECUTION AND INTERPRETATION

Examples:

52.212-4(e)	Contract Terms and Conditions — Commercial Items (Definitions)
52.212-4(s)	Contract Terms and Conditions — Commercial Items (Order of Precedence)
52.202-1	Definitions.
52.204-1	Approval of Contract.
52.215-33	**Order of Precedence.**
52.252-2	Clauses Incorporated By Reference.
52.252-4	Alterations In Contracts.
52.252-6	Authorized Deviations In Clauses.

IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Examples:

2.203-3	Gratuities.
52.203-5	Covenant Against Contingent Fees.
52.203-6	Restrictions on Subcontractor Sales to the Government.
52.203-7	Anti-Kickback Procedures.
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity[1]
52.203-12	Limitation on Payments to Influence Certain Federal Transactions[2]

[1]FAC 84-60
[2]FAC 84-55

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

BONDS AND INSURANCE REQUIREMENTS

Examples:

52.228-1-2	Bid Guarantee/Additional Bond Security
52.228-5	Insurance—Work on a Government Installation.
52.228-7	**Insurance—Liability to Third Persons**.
52.250-1	**Indemnification under Public Law 85-804.**

ADDITIONAL INSPECTION, ACCEPTANCE, AND PERFORMANCE RELATED REQUIREMENTS

52.209-3 to 04	**First Article Approvals**.
52.237-3	**Continuity of Services.**
52.242-2	**Production Progress Reports**.
52.246-23	Limitation Of Liability (for damage to Government property (excluding the supplies delivered under this contract)
52.246-24	**Limitation of Liability—High-Value Items**.
52.246-25	Limitation of Liability—Services.

TYPE OF CONTRACT

Examples:

52.216-2-4	**Economic Price Adjustment—Standard Supplies/Semistandard Supplies/ Labor and Material**
52.216-5 to 6	**Price Redetermination— Prospective/ Price Redetermination—Retroactive**
52.216-8 to 17	**Fixed Fee/ Incentive Fee/Cost Contract—No Fee/Cost-Sharing Contract—No Fee/Predetermined Indirect Cost Rates/Incentive Price Revision—Firm Target/Incentive Price Revision—Successive Targets**
52.216-19 to 22	Ordering/Order Limitations/Definite Quantity/Requirements/ Indefinite Quantity.
16.203-4(d)	Economic Price Adjustment.

LETTER CONTRACTS

Examples:

52.216-23 to 26	**Execution and Commencement of Work/Limitation of Government Liability/Contract Definitization/Payments of Allowable Costs Before Definitization.**

OPTIONS/MULTIYEAR CONTRACTING

Examples:

52.217-2	**Cancellation Under Multi-year Contracts**
52.217-6 to 9	Option For Increased Quantity/Option For Increased Quantity--Separately Priced Line Items/Option to Extend Services/Option to Extend the Term of the Contract.

AVAILABILITY OF FUNDS

52.232-18	Availability of Funds.
52.232-19	Availability of Funds for the Next Fiscal Year

SET ASIDES FOR SMALL BUSINESS, 8(a), AND LABOR SURPLUS AREA CONCERNS

Examples:

52.219-06 to 07	Notice of Total Small Business Set-Aside/Notice of Notice of Partial Small Business Set-Aside
52.219-11 to 12	**Special 8(a) Contract Conditions/Special 8(a) Subcontract Conditions.**
52.219-18	Notification of Competition Limited to Eligible 8(a) Concerns

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

CONTRACTOR PURCHASING AND SUBCONTRACTING REQUIREMENTS

Examples:

52.209-6	Protecting The Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
52.215-9	**Changes or Additions to Make-or-Buy Program**.
52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns.
52.219-9	**Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan**.
52.219-10	**Incentive Subcontracting Program**.
52.219-14	Limitations on Subcontracting.
52.219-16	**Liquidated Damages—Small Business Subcontracting Plan**.
52.222-28	Equal Opportunity Preaward Clearance of Subcontracts.
52.225-11	Restrictions on Certain Foreign Purchases.
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Interprises[1]
52.244-2	**Subcontracts**.
52.244-5	**Competition in Subcontracting**.
52.251-1	Government Supply Sources.

FOREIGN SOURCING

Examples:

52.225-3	Buy American Act--Supplies.
52.225-7	Balance of Payments Program.
52.225-9	Buy American Act—Trade Agreements Act—Balance of Payments Program.
52.225-11	Restrictions on Certain Foreign Purchases.
52.247-63 to 64	Preference for U.S. Flag Air Carriers/Preference for Privately Owned U.S. Flag Commercial Vessels.

LABOR MANAGEMENT REQUIREMENTS

Examples:

52.207-3	**Right of First Refusal of Employment**.
52.222-1	Notice to the Government of Labor Disputes
52.222-3	Convict Labor.
52.222-4	Contract Work Hours and Safety Standards Act—Overtime Compensation.
52.222-20	Walsh-Healey Public Contracts Act.
52.222-26	Equal Opportunity
52.222-35& 37	Affirmative Action for Special Disabled and Vietnam Era Veterans/Employment Reports on Disabled Veterans and Veterans of the Vietnam Era.
52.222-36	Affirmative Action for Workers with Disabilities.
52.222-41	Service Contract Act of 1965, as Amended.
52.222-42	Statement of Equivalent Rates for Federal Hires.
52.222-43	Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts).
52.222-44	Fair Labor Standards Act and Service Contract Act—Price Adjustment.
52.222-47	SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreements (CBA).
52.222-48	Exemption from Application of Service Contract Act Provisions for Contracts for Maintenance, Calibration, and/or Repair of Certain ADP, Scientific and Medical, and/or Office and Business Equipment—Contractor Certification.
52.222-49	Service Contract Act—Place of Performance Unknown.
52.223-6	Drug-Free Workplace

[1]Updated in 2nd. edition.

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

ENVIRONMENTAL PROTECTION AND OCCUPATIONAL SAFETY

Examples:

52.223-2	Clean Air and Water.
52.223-3	Hazardous Material Identification and Material Safety Data.
52.237-2	Protection of Government Buildings, Equipment, and Vegetation.

PATENTS AND RIGHTS IN DATA

Examples:

52.227-1	Authorization and Consent
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement.
52.227-3 & 227-5	Patent Indemnity/Waiver of Indemnity.
52.227-6	**Royalty Information.**
52.227-9	**Refund of Royalties.**
52.227-10 to 13	**Filing of Patent Applications—Classified Subject Matter/Patent Rights—Retention by the Contractor (Short Form)/Patent Rights—Retention by the Contractor (Long Form)/Patent Rights—Acquisition by the Government**
52.227-14 to 20/23	Rights in Data—General/**Representation of Limited Rights Data and Restricted Computer Software /Additional Data Requirements/Rights in Data—Special Works/Rights in Data—Existing Works /Commercial Computer Software Restricted Rights/Rights in Data—SBIR Program/Rights to Proposal Data (Technical)**.

PAYMENTS

Examples:

52.212-4(g)	Contract Terms and Conditions — Commercial Items (Invoices)
52.212-4(i)	Contract Terms and Conditions — Commercial Items (Payment)
52.222-2	**Payment for Overtime Premiums.**
52.232-1 to 3	Payments.
52.232-7	**Payments under Time-and-Materials and Labor-Hour Contracts.**
52.232-8	Discounts For Prompt Payment.
52.232-9	Limitation on Withholding of Payments.
52.232-11	Extras.
52.232-12 & 16	**Advance Payments/Progress Payments**.
52.232-17	**Interest**.
52.232-20 & 22	**Limitation of Cost.**
52.212-4(b)	Contract Terms and Conditions — Commercial Items (Assignment)
52.232-23 to 4	Assignment of Claims/Prohibition of Assignment of Claims.
52.232-25	Prompt Payment.
52.232-29	Terms for Financing of Purchases of Commercial Items
52.232-30	Installment Payments for Commercial Items

TAXES AND DUTIES

Examples:

52.212-4(k)	Contract Terms and Conditions — Commercial Items (Taxes)
52.225-10	Duty-Free Entry.
52.229-1	State and Local Taxes.
52.229-3	Federal, State, and Local Taxes
52.229-4	**Federal, State, and Local Taxes (Noncompetitive Contract)**.
52.229-5	Taxes—Contracts Performed in U.S. Possessions or Puerto Rico

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

52.229-6	Taxes—Foreign Fixed-Price Contracts
52.229-7	Taxes—Fixed-Price Contracts with Foreign Governments
52.229-8	**Taxes—Foreign Cost-Reimbursement Contracts**
52.229-9	**Taxes—Cost-Reimbursement Contracts with Foreign Governments**

ALLOWABLE COSTS AND ACCOUNTING FOR COSTS

Examples:

52.215-14	**Integrity of Unit Prices**.
52.215-16 to 17	**Facilities Capital Cost of Money/Waiver of Facilities Capital Cost of Money.**
52.216-7	**Allowable Cost and Payment**.
52.242-1	**Notice of Intent to Disallow Costs**.
52.230-2 to 4, 6	**Cost Accounting Standards/Administration of Cost Accounting Standards/Disclosure and Consistency of Cost Accounting Practices/Consistency in Cost Accounting Practices**

PRICING CERTIFICATIONS & DEFECTIVE PRICING

Examples:

52.215-10 to 13	**Price Reduction for Defective Cost or Pricing Data/Price Reduction for Defective Cost or Pricing Data—Modifications/Subcontractor Cost or Pricing Data/Subcontractor Cost or Pricing Data— Modifications**.

AUDIT RIGHTS

Examples:

52.215-2	**Audit Records — Negotiation**.

TRANSPORTATION

Examples:

52.242-10	F.o.b. Origin—Government Bills of Lading or Prepaid Postage.
52.242-11	F.o.b. Origin—Government Bills of Lading or Indicia Mail.
52.242-12	Report of Shipment.
52.247-1	Commercial Bill of Lading Notations.

GOVERNMENT FURNISHED PROPERTY

Example:

52.245-1	**Property records.**
52.245-2 & 4	**Government Property (Fixed-Price Contracts)**/Government-Furnished Property (Short Form).
52.245-5	**Government Property (Cost-Reimbursement, Time-and-Material, Or Labor-Hour Contracts).**

WARRANTIES

Example:

52.212-4(o)	Contract Terms and Conditions — Commercial Items (Warranty)
52.246-17	Warranty Of Supplies Of A Non-Complex Nature.
52.246-18 & 19	**Warranty of Supplies of a Complex Nature**.
52.246-20	**Warranty of Services**

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

MODIFICATIONS

Examples:

52.212-4(c)	Contract Terms and Conditions — Commercial Items (Changes)
52.243-01	Changes--Fixed Price.
52.243-2	**Changes—Cost-Reimbursement.**
52.243-3	**Changes—Time-and-Materials or Labor-Hours.**
52.243-6	**Change Order Accounting**.
52.243-7	**Notification Of Changes**.
52.248-1	**Value Engineering**.

TERMINATION

Examples:

52.212-4(l & m)	Contract Terms and Conditions — Commercial Items (Termination for Covenience; Termination for Cause)
52.249-1	Termination for Convenience of the Government (Fixed-Price) (Short Form).
52.249-2	**Termination for Convenience of the Government (Fixed-Price)**.
52.249-4	Termination for Convenience of the Government (Services) (Short Form).
52.249-5	**Termination for Convenience of the Government (Educational and Other Nonprofit Institutions.**
52.249-6	**Termination (Cost-Reimbursement).**
52.249-8	Default (Fixed-Price Supply and Service).
52.249-9	**Default (Fixed-Price Research and Development).**
52.249-14	**Excusable Delays**.

PROTESTS, DISPUTES AND APPEALS

Examples:

52.212-4(d)	Contract Terms and Conditions — Commercial Items (Disputes)
52.233-1	Disputes.
52.233-03	Protest After Award.

OTHER

52.212-4(q&r)	Contract Terms and Conditions — Commercial Items (Other Compliances; Compliance with Laws Unique to Government Contracts)
52.204-2	Security Requirements.
52.224-1	Privacy Act Notification
52.224-2	Privacy Act
52.242-13	Bankruptcy.

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

PROVISIONS

SECTION K. REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS OR QUOTERS

DISCLOSURE OF BUSINESS PRACTICES

Examples:

52.203-2	Certificate of Independent Price Determination.
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions

INFORMATION ABOUT THE FIRM

Examples:

52.204-3	Taxpayer Identification
52.204-5	Women-Owned Business
52.204-6	Data Universal Numbering System (DUNS) Number
52.209-5	Certification Regarding Debarment, Suspension, Proposed Debarment, And Other Responsibility Matters.
52.215-4	**Type of Business Organization.**
52.215-6	**Place of Performance** (Except those in which the place of performance is specified by the Government.)
52.215-7	**Annual Representations and Certifications.**
52.219-1	Small Business Program Representations.
52.230-1	Cost Accounting Standards Notices and Certification..

EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATIONS

Examples:

52.222-21	Certification of Nonsegregated Facilities.
52.222-22	Previous Contracts and Compliance Reports.
52.222-25	Affirmative Action Compliance.

ENVIRONMENTAL CERTIFICATIONS

Examples:

52.223-1	Clean Air and Water Certification.
52.223-4	Recovered Material Certifications.

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

FOREIGN SOURCING CERTIFICATIONS

Examples:

52.225-1	Buy American Certificate.
52.225-6	Balance of Payments Program Certificate.
52.225-8	Buy American Act—Trade Agreements Act—Balance of Payments Program Certificate.

PATENT & ROYALTY NOTICES

Examples:

52.212-4(h)	Contract Terms and Conditions — Commercial Items (Patent Indemnity)
52.227-6	**Royalty Information.**
52.227-7	Patents—Notice Of Government Licensee.

ABILITY TO MEET QUALIFICATION REQUIREMENTS

52.209-1	Qualification Requirements

OTHER REQUIRED DATA

Examples:

52.207-4	Economic Purchase Quantity--Supplies.
52.247-53	Freight Classification Description.

SECTION L. INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR QUOTERS

SOLICITATION DEFINITIONS AND INTERPRETATION

Examples:

52.252-1	Provisions Incorporated By Reference.
52.252-3	Alterations In Solicitation.
52.252-5	Authorized Deviations In Provisions.

PREPARING PROPOSALS

Examples:

52.210-6	Listing of Used or Reconditioned Material, Residual Inventory and Former Government Surplus Property.
52.215-7	**Annual Representations and Certifications--Negotiation**.
52.215-12	**Restriction on Disclosure and Use of Data.**
52.215-5	**Facsimile Proposals.**[1]

[1]FAC 84-53

UNIT 26 SOLICITATION PREPARATION—APPENDIX II

ADDITIONAL INFORMATION ON THE PROCUREMENT

Examples:

52.207-2	**Notice of Cost Comparison (Negotiated)**
52.211-1 to 4	Availability of Specifications Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions/Availability of Specifications Listed in the DOD Index of Specifications and Standards (DODISS)/Availability of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions/ Availability for Examination of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions.
52.216-1	**Type of Contract**.
52.222-46	**Evaluation of Compensation for Professional Employees.**
52.232-13 to 14	**Notice of Progress Payments/Notice of Availability of Progress Payments Exclusively for Small Business Concerns**.
52.237-1	Site Visit.
52.247-46	Shipping Point(s) Used in Evaluation of F.o.b. Origin Offers.
52.247-45	F.o.b. Origin and/or F.o.b. Destination Evaluation.

SUBMITTING PROPOSALS

Examples:

52.215-1	**Instructions to Offerors--Competitive Acquisition**

CONTRACT AWARD

Examples:

52.222-24	Preaward On-Site Equal Opportunity Compliance Review.
52.233-02	Service Of Protest.

SECTION M. EVALUATION FACTORS FOR AWARD

Examples:

52.217-3 to 5	Evaluation Of Options/Evaluation Exclusive of Options/Evaluation of Options Exercised at Time of Contract Award
52.232-15	**Progress Payments Not Included.**
52.247-47/49/50/51/56	Evaluation—F.o.b. Origin/Destination Unknown/No Evaluation of Transportation Costs/Evaluation of Export Offers/Transit Arrangements.

UNIT 27 PREAWARD INQUIRIES

September 1998

Part A: Inquiries About Solicitations

Duty	Respond to inquiries.
Conditions	Given a written or oral inquiry on a solicitation, copies of offers received in response to the solicitation, and a copy of the solicitation.
Overall Standard(s)	Disclose no information that would give one offeror an unfair competitive advantage over another. Answers to inquiries are correct and complete. All files are fully documented. Prior to bid opening, do not open bids or share their contents. After receipt of proposals, do not disclose any information on the contents of a proposal to other offerors.

Part B: FOIA Requests

Duty	Respond to requests for information under the Freedom of Information Act.
Conditions	Given a request for information on a solicitation or contract under the Freedom of Information Act.
Overall Standard(s)	Do not disclose exempt data.

UNIT 27 PREAWARD INQUIRIES

Policies

FAR	*Agency Suppl.*	*Subject*
3.104		Prohibition on disclosure of source selection or proprietary information.
3.105		Disclosure protection and marking of proposal/bid information and source selection information.
5.401 – 5.404		Release of information.
9.105-3		Prohibition against disclosing data on a firm's responsibility.
11.203		Providing industry with an opportunity to comment on requirements documents.
14.211(b)		Release of acquisition information after solicitation.
14.401		Receipt and safeguarding of bids.
15.201		Exchanges with industry before receipt of proposals.
15.208		Proposal submission.
24.2		Freedom of Information Act.
52.202-1		Definitions and guidelines for interpreting the solicitation or contract.
52.214-1		Solicitation definitions—sealed bidding.
52.214-6		Explanation to prospective bidders.
52.214-29		Order of precedence — sealed bidding.
52.215-1		Solicitation definitions, Restriction on disclosure and use of data, instructions to offerors
52.215-8		Order of precedence.
52.252-1 52.252-2		Incorporation of provisions and clauses by reference.

Other KSA's

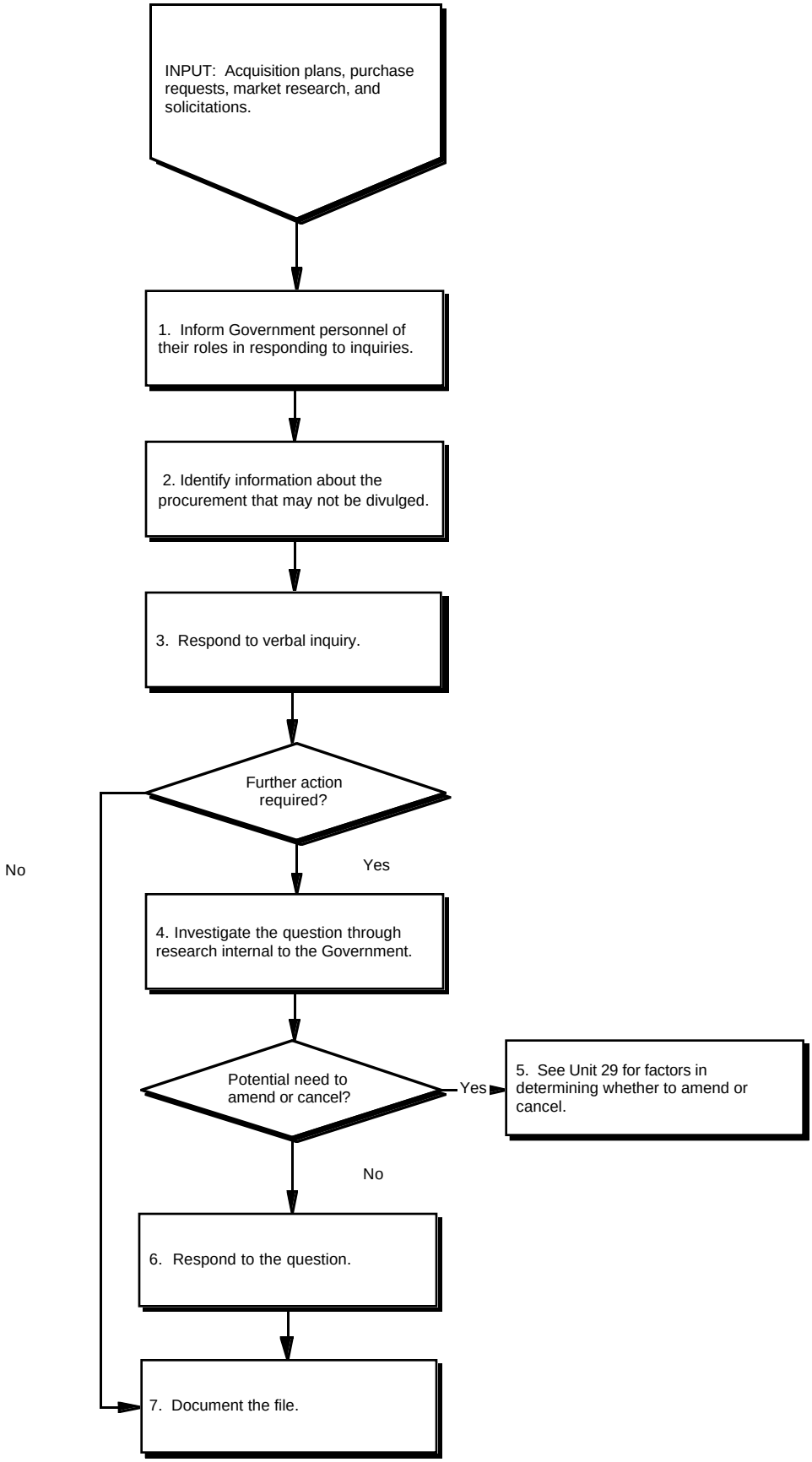
1. Knowledge of legal, technical, and other personnel to consult regarding inquiries (e.g., requiring activity, public affairs, Congressional liaison offices).

2. Knowledge of the Law of Agency (e.g., creation, scope of authority, and duties and liabilities of principals and agents) and how the law of agency applies to discussions between offerors and Government officials (from Business Law).

3. Knowledge of the relationship between line and staff authority; knowledge of the role of service departments such as procurement in supporting line managers on mission accomplishment; skill at communicating and exercising leadership in working with line managers (from Organization and Management).

Other Policies and References (Annotate As Necessary):

UNIT 27 PREAWARD INQUIRIES



UNIT 27 PREAWARD INQUIRIES

Part A: Inquiries About Solicitations

Tasks	Related Standards
1. Inform Government personnel of their roles in responding to inquiries.	A1. Communications with interested parties regarding an IFB may be conducted only by the contracting officer or superiors have contractual authority or by others authorized to discuss the solicitation. After release of an RFQ or RFP, the contracting officer is the focal point for all exchanges with potential offerors or offerors. (15.201(f))
2. Identify information about the procurement that may not be divulged.	A2. In sealed bidding, identify all information that may not be imparted prior to the public bid opening, including: • Information on a concern's responsibility and other proprietary information. • Identity and number of bids. • Bid prices or lists of bid prices. • Rankings of bids. • Other information that, if disclosed to a competing contractor, would jeopardize the integrity or successful completion of the procurement. Examples—the Government cost estimate; any portion of the contents of a bid. When acquiring supplies or services under FAR Part 13 or 15, comply with FAR sections 3.104 and 15.201 on pre-closing disclosure of information. Identify all information that may not be imparted. Examples: • Source selection plans. • Technical evaluation plans. • Identity and number of offerors/quoters. • Proposed costs or prices submitted by offerors/quoters, or lists of same. • Information on an firm's responsibility and other proprietary information. • Other information that, if disclosed to a competing contractor, would jeopardize the integrity or successful completion of the procurement.

UNIT 27 PREAWARD INQUIRIES

Part A: Inquiries About Solicitations

Tasks	Related Standards
3. Respond to verbal inquiry.	A3. Ask questions to clarify the inquiry, if needed. Other than for information that may not be divulged per task 2, provide all relevant facts. Where necessary, break for factfinding. In sealed bidding, per 52.214-6, advise the bidder that any questions regarding an explanation or interpretation of the solicitation, drawings, specifications, etc., must be received in writing soon enough to allow a reply to reach all other prospective bidders before submission of their bids. Also advise the offeror that oral explanations or instructions are not binding.
4. Review inquiries and conduct any necessary investigation through research internal to the Government. Consult legal or technical personnel if necessary.	A4. Request and obtain all information necessary for an accurate and complete response.
5. Determine whether there is a need to amend or cancel the solicitation (per Unit 29).	A5. See Unit 29.
6. If an amendment or cancellation is not necessary, provide a written or follow-up verbal response.	A6. Other than for information that may not be divulged, provide all relevant facts. When responding to an inquiry regarding an RFQ or RFP, do not solicit information about a prospective offeror's proposal or otherwise discuss it. Avoid compromising the Government's right to accept an offer without discussions. Avoid inappropriate disclosures (15.306(e)).
7. Document the file.	

UNIT 27 PREAWARD INQUIRIES

Part B: FOIA Requests

Tasks	Related Standards
1. Determine whether the Freedom of Information Act (FOIA) request is for records that are exempt from mandatory public disclosure.	B1. Correctly identifies types of records that are exempt.
2. Release non-exempt information.	B2. No disclosure of exempt information.

UNIT 28 PREQUOTE/PREBID/ PREPROPOSAL CONFERENCES

September 1998

Duties	1. Determine the need for conducting a prequote/prebid/preproposal conference. 2. Prepare for and conduct the prequote prebid/preproposal conference.
Conditions	Given a purchase request, market data, the synopsis (if any), and a solicitation
Overall Standard(s)	Call for a conference when contractors do not appear to have a reliable or valid understanding of the solicitation's requirements. Furnish all prospective offerors with identical information concerning the proposed acquisition. Do not use the conference as a substitute for amending a defective or ambiguous specification or solicitation.

UNIT 28 PREQUOTE/PREBID/PREPROPOSAL CONFERENCES

Policies

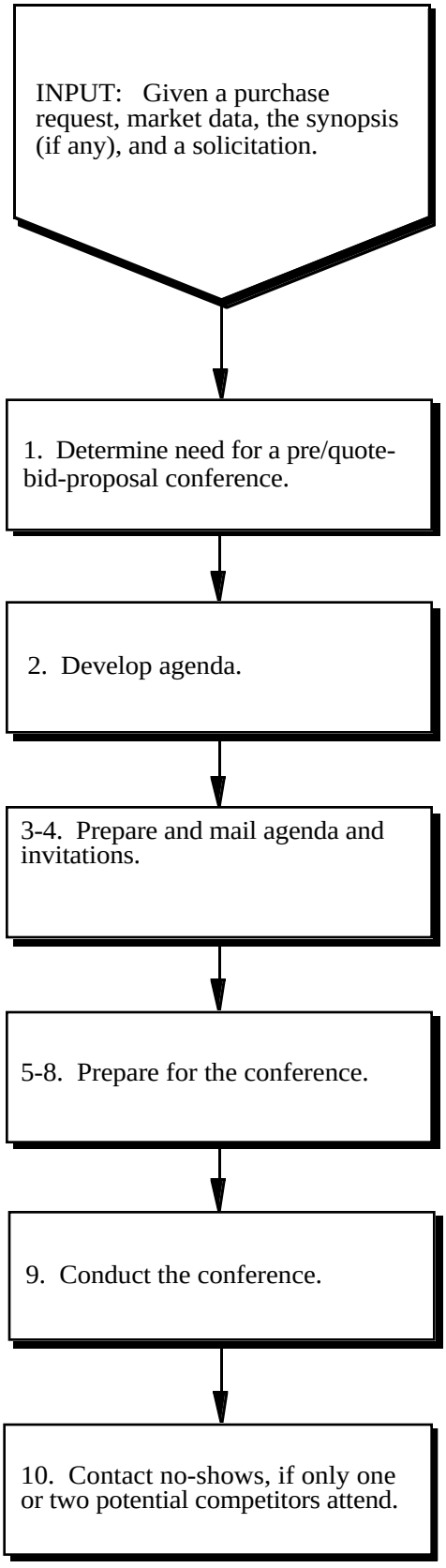
FAR	*Agency Suppl.*	*Subject*
14.207		Pre-bid conferences.
15.201		Exchanges with industry before receipt of proposals
37.110(a)		Site visits in solicitations for services (other than construction) to be performed on Government installations.
52.237-1		Site visits for other than construction.
52.247-4		Inspection of Government shipping and receiving facilities.

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

PREBID/PREPROPOSAL CONFERENCES



UNIT 28 PREQUOTE/PREBID/PREPROPOSAL CONFERENCES

Tasks	Related Standards
1. Determine the need for a pre/quote-bid-proposal conference. Consider a conference: • To explain a complex requirement and/or technical evaluation factors. • When contractors need to physically inspect work sites or property to be furnished by the Government. • When revising a longstanding requirement. • When there has been a long period of time between awards. • When contractor inquiries suggesting that key terms and conditions are vague, ambiguous, or unattractive to industry.	1. Call for a conference when: • Contractors do not appear to have a reliable or valid understanding of the contract's requirements, and • Significant dollars are at risk.
2. Develop agenda • Briefing on solicitation. • Presentation of prepared responses to questions submitted in advance. • Questions and answers from the floor.	
3. Prepare invitation to attend the conference: • Nature and scope (reference solicitation at issue). • Attach copy of agenda. • Solicit questions in writing. • Notice of time and place.	
4. Mail invitation to all prospective offerors who have received copies of the solicitation.	4. Mail the invitation only when notice of the conference was not included in the synopsis.
5. Refer submitted technical questions to technical personnel for comment.	
6. Prepare consolidated responses to questions on business terms and conditions and, based on comments from technical personnel, the requirements.	6. Perform all necessary research to fully answer any question.

UNIT 28 PREQUOTE/PREBID/PREPROPOSAL CONFERENCES

Tasks	Related Standards
7. Prepare opening briefing. • Background and other facts not covered in the solicitation • Description of the requirement, selection criteria, and method of award. • Special terms and conditions not ordinarily included. • If the method of procurement has changed since the previous contract, describe the process • Government's positions on potentially controversial issues (e.g., why not set aside for small business). • Invitation to ask questions or express concerns with the solicitation.	7. Make no statement that conflicts with the solicitation. Advise attendees that (1) remarks and explanations at the conference shall not qualify the terms of the solicitation and (2) terms of the solicitation and specifications remain unchanged unless the solicitation is amended in writing.
8. Brief technical personnel. • Roles. • Agenda. • Limits on providing information to attendees.	
9. Conduct the conference.	Keep a complete record of the conference proceedings including questions and answers. Provide answers for all questions. Provide a copy of the record to all prospective offerors.
10. Contact potential offerors that did not show, if only one or two attend.	

UNIT 28 PREQUOTE/PREBID/PREPROPOSAL CONFERENCES

Tasks	Related Standards

UNIT 29 AMENDING/CANCELING SOLICITATIONS

February 1999

Part A: Amending and Canceling Solicitations	
Duties	1. Determine whether to amend, cancel, or make no changes to IFBs, RFQs, or RFPs. 2. Prepare an amendment to the solicitation. 3. Prepare cancellation notices for RFQs and RFPs.
Conditions	Given a solicitation, requests from the requiring activity to change the quantity, specifications, delivery schedules, closing dates, etc., and/or complaints or recommendations from potential offerors about specifications or other terms and conditions.
Overall Standard(s)	Amend an IFB (before opening) or an RFP when the overall scope of the contract would not be affected. Cancel IFBs before opening or RFPs when the requirement no longer exists, funds are no longer available, or when the overall scope of the contract has changed to the extent that the original synopsis and/or solicitation likely would attract offers from additional sources. Amendments clarify or correct all significant ambiguities, errors or omissions in the Government's requirement (as the requirement has evolved since the solicitation was issued) and/or other terms and conditions. All amendments are properly executed and put all offerors on an equal footing. No award is made unless the amendment has been issued in sufficient time to permit all prospective offerors to consider such information in submitting or modifying their bids.
Part B: Cancellation of IFB Before Opening	
Duty	Cancel the IFB before bid opening.
Conditions	Given an IFB and a decision to cancel prior to bid opening from Unit 28.
Overall Standard(s)	Correctly prepare cancellation notices and notify all potential offerors.

UNIT 29 AMENDING/CANCELING SOLICITATIONS

February 1999

Part C: Cancellation of IFB After Opening

Duty	Determine whether to cancel after opening and, if so, cancel the IFB.
Conditions	Given market data, contacts with the requiring activity, an IFB, and opened bids.
Overall Standard(s)	Correctly determine whether, given the facts on hand, there is a compelling reason for cancellation. Correctly prepare cancellation notices and notify all potential offerors.

UNIT 29 AMENDING/CANCELING SOLICITATIONS

Policies

FAR	*Agency Suppl.*	*Subject*
7.204(b)		Amending or canceling solicitations based on responses to the provision at 52.207-4, Economic Purchase Quantity—Supplies.
14.208		Amendment of IFBs.
14.209		Cancellation of IFBs before opening.
14.404-1		Cancellation after opening.
14.404-3		Rejecting all bids.
15. 206		Amending & canceling RFPs before closing date.
52.214-3		Amendments to IFBs
52.215-1(b)		Amendments to RFPs

Other KSA's

1. Knowledge of what kind of amendment necessitates an extension of the closing date.

2. Knowledge of the nature and purpose of relationships among all parties to the acquisition process. (from Organization and Management).

Other Policies and References (Annotate As Necessary):

UNIT 29 AMENDING/CANCELING SOLICITATIONS

UNIT 29 AMENDING/CANCELING SOLICITATIONS

Part A: Amending and Canceling Solicitations

Tasks	Related Standards
1. Obtain written revisions to the purchase request from the requiring activity. Examples: • Proposals to cancel the solicitation--money or need has lapsed. • Proposals to cancel and resolicit. • Proposals to amend the solicitation.	A1. Subject any requests to amend the solicitation (or to cancel and resolicit) to the tests of Units 3, 6 and 7, and, where applicable, 15 and 16).
2. Identify problems with issued solicitations. Potential indicators: • Offeror inquiries. • Pre-bid/quote/preproposal conferences • Technical review of the offer, if any. • Factfinding conferences.	A2. Recognize and collect evidence of any problem with the solicitation: • Insufficient time allowed for the preparation and submission of offers. • Incomplete, inaccurate, or missing terms, conditions, or data. • Terms or conditions that are being misinterpreted by potential offerors (vague or ambiguous). • Erroneous release of additional data to some but not all potential offerors. • Identification of terms or conditions (especially elements of the specification) which are inferior to alternatives surfaced by one or more offerors. Examples: - In their responses to the provision at 52.207-4, Economic Purchase Quantity—Supplies, offerors recommend buying in different quantities than solicited. - The proposal of interest to the Government is based on a departure from the stated requirements. • Identification of terms and conditions that are unnecessarily restricting competition or otherwise discriminating against some potential offerors. • CBD notice not published within 10 days of transmittal (6 days if electronically transmitted).

Tasks	Related Standards
3. Determine whether to: • Leave the solicitation "as is." • Amend the solicitation. • Cancel the solicitation.	A3. Do not amend the solicitation when providing general information that would not be prejudicial to other prospective offerors (e.g., explanation of a particular contract clause or a particular condition of the schedule). On the other hand, if provided information is required to prepare a proposal, the solicitation must be amended to provide the information to all prospective offerors. Amend the solicitation if the Government changes the requirement or terms and conditions. Cancel if an electronic simplified acquisition transaction (rather than trying to amend an electronic RFQ). Cancel if the requirement no longer exists or funds no longer are available. Cancel and resolicit when the overall scope of the contract has changed to the extent that resoliciting likely would attract offers from additional sources.
4. If the decision is to amend, determine whether to postpone the bid opening date or extend the RFP's closing date and, if so, whether to precede mailing the amendment with telephone calls or other expedited notification.	A4. Give all potential offerors sufficient time to consider the change(s) in submitting or modifying their offers. Telephone or send faxes or e-mails when offerors are upon the point of sending in their offers.

Tasks	Related Standards
5. Prepare amendment, using SF30 or OF 309 (for RFPs).	A5. Complete the OF 309 or SF30. • Cite solicitation number. • Number amendments serially. • Include instructions on acknowledging receipt of amendment. • State whether or not the bid opening date has been postponed or whether the RFP's closing date has been extended and, if postponed or extended, identify the new date. • Use replacement pages for the solicitation, with changes marked. You should use OF 309, if possible. However, if this would inhibit the use of electronic contracting for the instant acquisition, plain paper formats (that require submission of the same information) may be used. Also, if you have an existing stock of Standard Forms, you may continue to use them if it makes sense at your activity, and electronically generated Standard Forms that are already in use at your activity may also be used until it makes sense to reprogram your automated systems for the optional forms. The optional forms are easier to understand, as they are written in "plain English."
6. Issue amendment.	A6. For an IFB, send the amendment to all offerors who have been provided official copies of the solicitation and post a copy of the amendment in the Bid Room. For RFP's: • If proposals are not yet due, copy to every firm that received the initial solicitation. • If proposals have been received, a copy sent to all responding offerors. • If the competitive range has been established, a copy to offerors in the range. In the case of RFPs, the amendment may be conveyed orally under the conditions described in FAR 15.206(f).

Tasks	Related Standards
7. If the decision is to cancel a solicitation, prepare and issue notice of cancellation ; document reasons in the file.	

UNIT 29 CANCELING SOLICITATIONS

Part B. Cancellation of IFB Before Opening

Tasks	Related Standards
1. Determine whether or not to cancel (from Part A).	
2. Prepare notice of cancellation.	B2. In the notice: • Identify IFB by number and short title or subject matter. • Explain reason for cancellation. • Assure bidders of opportunity to bid on resolicitation or any future such requirement.
3. Send notice to all prospective bidders.	B3. Send a copy to all bidders to whom the IFB had been issued.
4. Return unopened bids to bidders.	
5. Record cancellation of IFB.	B5. Include: • Number of bids invited. • Number of bids received (if any).

UNIT 29 AMENDING/CANCELING SOLICITATIONS

Part C. Cancellation of IFB After Opening

Tasks	Related Standards
1. Identify compelling reason to cancel IFB. Potential reasons: • The requirement no longer exists or has substantially changed; specifications have been revised. • Inadequate or ambiguous specifications were cited in the invitation. • The IFB did not provide for consideration of all factors affecting price, such as the cost of transporting Government furnished property to bidder's plants. • Bids indicate needs can be met by a less expensive and different item than solicited. • Requirements of FAR 10.008 on availability and identification of specifications have not been met. • All otherwise acceptable bids are at unreasonable prices. • Only one bid was received and the Government cannot determine that the bid is reasonable. • No responsive bid has been received from a responsible bidder. • Bids were not independently prepared or were submitted in bad faith. • A cost comparison as prescribed in OMB Circular A-76 shows that performance by the Government is more economical.	C1. Do not cancel only to increase quantity required. Make correct determination of the reason. Logically derive conclusion from facts at hand. Document the necessity for cancellation in a determination and obtain approval from the designated official.
2. Determine whether to request authority to complete the acquisition through negotiations and prepare determinations and findings for approval from the designated official. If the decision is to negotiate: • Provide notice of intent to negotiate to each responsible bidder that submitted a bid in response to the IFB. • Provide each such bidder a reasonable opportunity to participate in the negotiations.	C2. Only request authority to negotiate when the IFB had been canceled if any of the following apply: • All otherwise acceptable bids were at unreasonable prices. • Only one bid was received and the Government cannot determine that the bid is reasonable. • No responsive bid was received from a responsible bidder. • Bids were not independently prepared or were submitted in bad faith. Award the contract to the responsible bidder with the lowest negotiated price.

UNIT 29 AMENDING/CANCELING SOLICITATIONS

Part C. Cancellation of IFB After Opening

Tasks	Related Standards
3. Prepare notice of cancellation.	C3. In the notice: • Identify IFB by number and short title or subject matter • Explain reason for cancellation. • Assure bidders of opportunity to bid on resolicitation or any future such requirement When all bids are rejected, also notify each bidder that all bids were rejected and the reason for such action.
4. Send notice to all bidders.	
5. Record cancellation of IFB.	

UNIT 29 AMENDING/CANCELING SOLICITATIONS

Part C. Cancellation of IFB After Opening

Tasks	Related Standards

UNIT 30 PROCESSING BIDS

September 1998

Duties	1. Receive and control bids. 2. Open, read, record, and abstract bids.
Conditions	Given an IFB and sample bids
Overall Standard(s)	All bids kept secure. Open and correctly abstract the bid no earlier than the opening date and time.

UNIT 30 PROCESSING BIDS

Policies

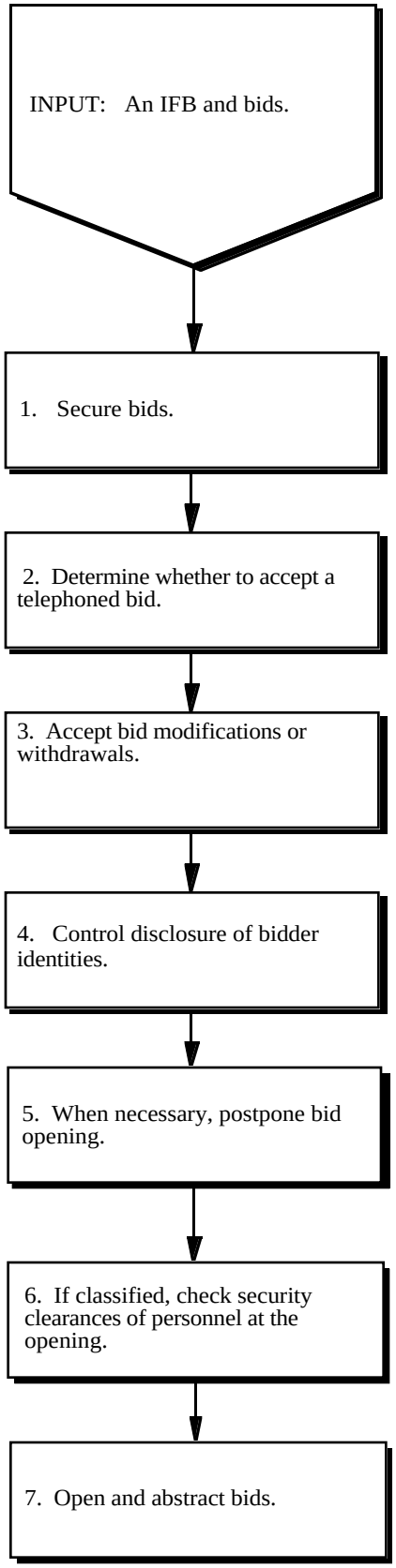
FAR	*Agency Suppl.*	*Subject*
7.306(a)(1)		Opening the Government sealed cost-comparison form.
14.204		Records of bids.
14.302		Bid submission.
14.303		Modification or withdrawal of bids.
14.401		Receipt and safeguarding of bids.
14.402		Opening bids.
14.403		Recording of bids.
14.404-4		Restrictions on disclosure of descriptive literature.
52.214-5		Submission of bids.

Other KSA's

1. Knowledge of contract law on matters related to agreement , including such issues as revocation of offers by offerors (from Business Law).

Other Policies and References (Annotate As Necessary):

PROCESSING BIDS



UNIT 30 PROCESSING BIDS

Tasks	Related Standards
1. Secure bids/or modification to bids in a locked box or safe.	1. Safeguard all bids and/or bid related documents. If a bid was opened by mistake or was obtained to determine the name of the bidder or the solicitation to which it applies: • Require the opener to sign the envelope and record his/her position title. • Record on the envelope an explanation for the opening, the date and time opened, the IFB number, and the signature of the designated official.
2. Determine whether to accept a telephoned bid.	2. Only accept such a bid under the conditions prescribed in FAR 14.302.
3. Accept modifications or withdrawals to bids.	3. Only accept such modifications of withdrawals prior to the exact time set for the opening of bids. Handle telephoned, facsimiled, or telegraphed modifications or withdrawals as prescribed in FAR 14.303.
4. Prior to opening, control information concerning bidder identity.	4. Such information is provided only on a "need to know" basis to other Government employees and with assurance that they will not disclose the information.
5. When necessary postpone bid opening.	5. Postpone under the conditions described in FAR 14.402-3. Follow the procedures of that FAR provision to effect the postponement.
6. If the bid is classified, ensure that all bidder's representatives at the opening have an appropriate security clearance and close the door on the general public.	
7. Open the bid on the designated date and time and abstract unclassified bids on the SF 1409 or equivalent agency form.	7. Comply with the instructions in FAR 14.402 and 14.403. Do not disclose descriptive literature if the bidder has imposed a restriction on public disclosure (but see 14.404-4). If the sealed bidding involves a cost comparison under OMB Circular A-76, comply with the rules in FAR 7.306(a)(1).

UNIT 31 BID ACCEPTANCE PERIODS

September 1998

Duty	Request time extensions of bid expiration dates.
Conditions	Given an IFB and the bids.
Overall Standard(s)	When the Government encounters administrative difficulties that would delay award beyond bidders' acceptance periods, provide bidders who submitted the lowest unexpired bids an opportunity to keep their bids valid through the procurement process up to award.

UNIT 31 BID ACCEPTANCE PERIODS

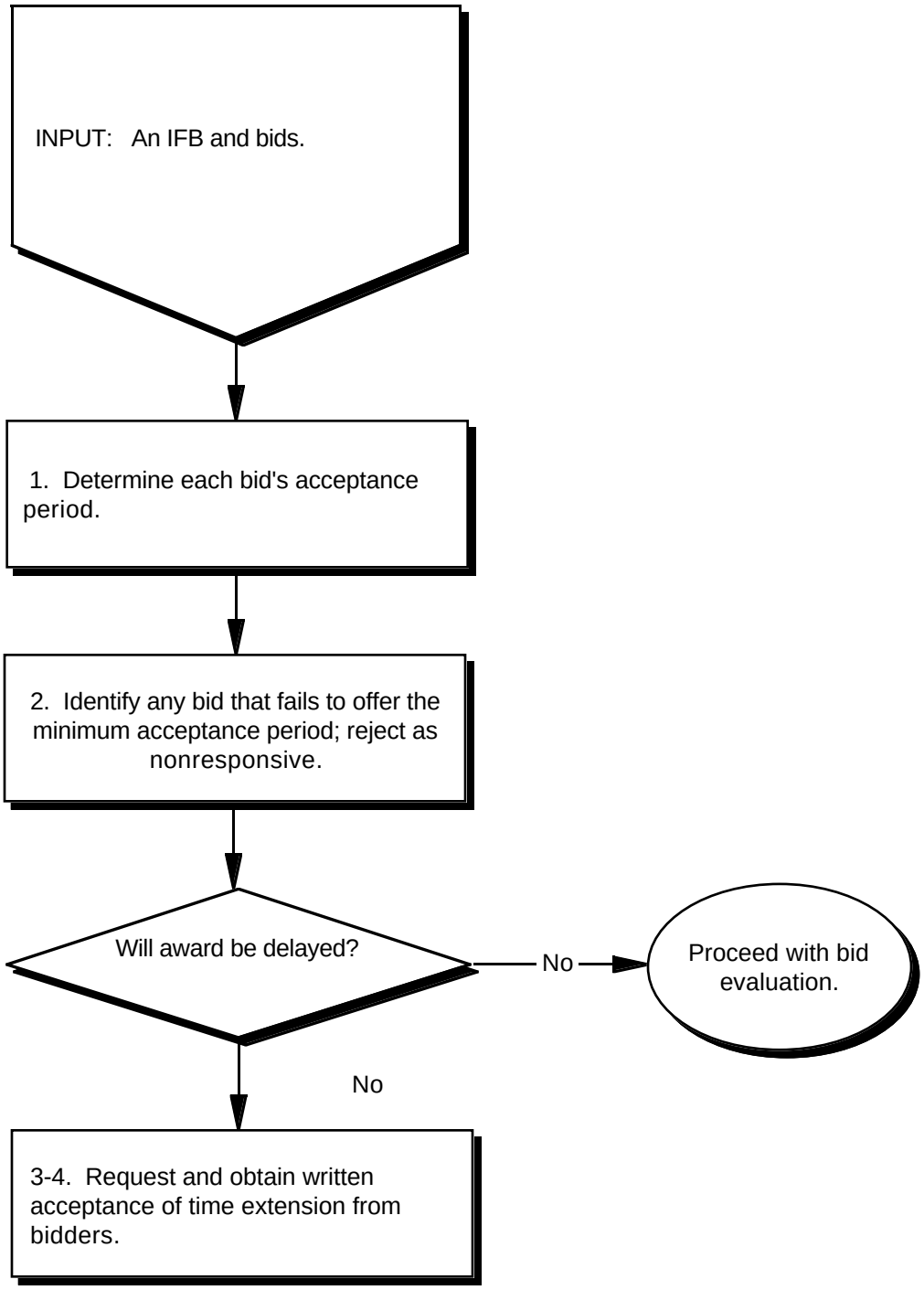
Policies

FAR	*Agency Suppl.*	*Subject*
14.404-1(d)		Extension of bid acceptance times.
52.214-10(d) 52.214-16(e)		Offer results in a binding contract if accepted by the Government within the time for acceptance specified in the bid.
52.214-15 52.214-16		Provisions that establish a mandatory minimum period for accepting bids.

Other KSA's

Other Policies and References (Annotate As Necessary):

BID ACCEPTANCE PERIODS



UNIT 31 BID ACCEPTANCE PERIODS

Tasks	Related Standards
1. Determine each bid's acceptance period	
2. Identify any bid that fails to offer the minimum bid acceptance period (if any) and reject each such bid as non-responsive (if such a period has been specified).	2. Correctly identifies all bids that are non-responsive in terms of the bid acceptance period (if any) established in the IFB.
3. If award will be delayed, request extensions of bids that have not yet expired.	3. Before their bids expire, ask the several lowest bidders (irrespective of the acceptance periods in the bids) to extend in writing the bid acceptance period. Where necessary, also requests that consent by sought from any sureties. Do not use this authority, however, in violation of the "firm bid" rule.[1]
4. Obtain written acceptance of the time extension from bidders.	

[1]If, for example, in completing the provision at FAR 15.214-15 (or block 12 of SF33), a bidder has offered a bid acceptance period of less than 60 days while a second low bidder has offered the standard 60 period, you may not ask the first bidder to extend its acceptance period. See 42 Comp. Gen. 604 and 53 Comp. Gen. 775. See also Comp. Gen. Dec. B-208451, 83-1 CPD ¶204 (1983).

UNIT 32 LATE OFFERS

September 1998

Duty	Determine which late offers, if any, can be considered for award.
Conditions	Given a solicitation specifying a due date and time for receipt of offers and several late offers
Overall Standard(s)	Decisions strictly comply with FAR 14.304 and 15.208 on the administration of late offers.

UNIT 32 LATE OFFERS

Policies

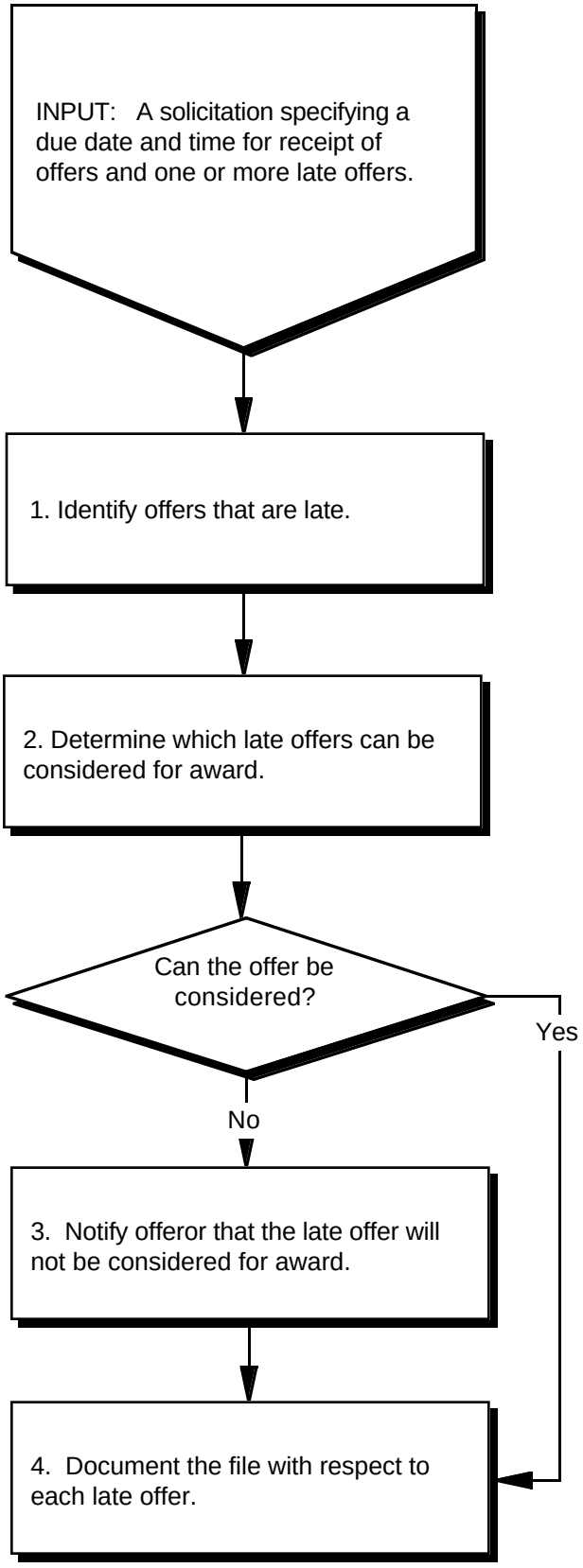
FAR	*Agency Suppl.*	*Subject*
14.304		Late bids, late modifications of bids, or late withdrawal of bids.
15.208		Late proposals and modifications.
52.214-7		Late submissions, modifications, and withdrawals of offers.
52.215-1		Late submissions, modifications, and withdrawals of offers.

Other KSA's

1. Knowledge of the definition of late offer or modification and acceptable evidence for establishing the date of mailing or receipt of offer.

Other Policies and References (Annotate As Necessary):

LATE OFFERS


INPUT: A solicitation specifying a due date and time for receipt of offers and one or more late offers.
1. Identify offers that are late.
2. Determine which late offers can be considered for award.
Can the offer be considered?
Yes
No
3. Notify offeror that the late offer will not be considered for award.
4. Document the file with respect to each late offer.

UNIT 32 LATE OFFERS

Tasks	Related Standards
1. Identify all offers (including modifications to offers) which are received in the designated Government office after the exact time specified in the solicitation.	
2. Determine which late offers can be opened and considered for award. • If sent by registered or certified mail, the only acceptable evidence of the mailing date is a U.S. or Canadian Post Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. • If neither postmark shows a legible date, then it is late. • Only acceptable evidence of time of receipt at the Government installation is the time/date stamp on the bid wrapper or other documentary evidence maintained by the installation. • If sent by U.S. Postal Service Express Mail Next Day Service, the only acceptable evidence of the mailing date is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on the envelope or wrapper and on the original receipt from the U.S. Postal Service.	2. Open and consider late offers only if received before an award has been made and: • Offer had been sent by registered or certified mail not later than 5 calendar days before the offer receipt date, or • Offer was sent by mail (or facsimile or telegram, if authorized) and was late only because of Government mishandling after receipt at the Government installation, or • The offer had been sent to a contracting office in the U.S. or Canada by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee not later than 5:00 PM at the place of mailing 2 working days prior to the date specified for receipt of offers. Late modification of an otherwise successful offer may be considered at any time, if the modification would be more favorable to the Government. For RFPs only, a late proposal can be considered if it is the only proposal received (FAR 52.215-1(f)). Open other late offers only if necessary to identify the offeror; otherwise, leave late offers unopened until after award.
3. Notify offeror that the late offer will not be considered for award.	3. When the late offer had been sent through the U.S. or Canadian Postal Services (by registered, certified, or Express Mail Next Day Service) and has arrived prior to award, send the notice at FAR 14.304-2.
4. Document file with respect to each late offer. • Retain late offer • Return only the bid bonds or guarantees (if any)	4. As a minimum, provide: • Date and hour of mailing, filing or delivery. • Date and hour of receipt. • Determination, with supporting facts, of whether or not considered for award. • Description of late offer's disposition. • Envelope, wrapper, and/or other evidence of date of the submission.

UNIT 33 PRICE ANALYSIS (SEALED BIDDING)

September 1998

Duty	Calculate the evaluated price for each bid and determine whether the lowest price is reasonable.
Conditions	Given an IFB and bids with one or more of the following: • Economic price adjustments • Transportation cost • Options • Other price-related factors
Overall Standard(s)	Consider all price-related factors and accurately calculate evaluated prices. Identify all comparative data, select the best price comparison and analysis techniques for the procurement, and accurately adjust the data for equitable comparison with bids. Correctly determine whether the lowest evaluated bid is reasonable.

UNIT 33 PRICE ANALYSIS (SEALED BIDDING)

Policies

FAR	*Agency Suppl.*	*Subject*
14.201-8		Price-Related Factors
14.404-2(f)-(g)		Rejection of bids unreasonable as to price.
14.407-3		Verifying the reasonableness of unexpectedly low bids.
14.408-2		Reasonableness of price; use of price analysis techniques in §15.404-1.
14.408-3		Prompt payment discounts.
14.408-4		Economic price adjustments.
14.406-6 19.202-3		Equal low bids.
15.404-1(g)		Unbalanced pricing.
17.206		Evaluating options. See also FAR 52.217-3 through 52.217-5.
19.202-6		Determination of fair market prices.
19.501(g) 19.506(a)		No award under a set aside if cost exceeds the "fair market price."
19.11		Adjusting prices based on the Department of Commerce prescribed factors for small disadvantaged business concerns.[1]
25.1 and 25.4		Buy American Act, as qualified by the Trade Agreements Act.
45.2		Government furnished property as a price-related evaluation factor.
47.306		Transportation factors. See also FAR 52.247-45 through 51 and 52.247-56 through 59.
52.214-10		Use of price related factors in making award.
52.214-22		Factoring in the additional administrative costs of multiple awards.
52.217-3		Evaluation criteria exclusive of options.
52.217-4		Evaluation criteria of options exercised at time of award.
52.217-5		Evaluation of options.
52.219-23		Notice of price evaluation adjustments for small disadvantaged business concerns.[1]

Other KSA's

1. Knowledge of common strategies used by business entities to price their goods and services, including goals (e.g., profit maximization, market-share, market skimming, current revenue, target-profit pricing and promotional pricing) and bases (e.g., cost, demand, or competition) (from Marketing).

2. Knowledge of mathematical techniques for (1) adjusting prices for comparison and (2) estimating a fair and reasonable price (from Quantitative Methods).

3. Knowledge of the fundamentals of supply and demand (e.g., mechanics of individual prices; economic choices; demand, supply, and market prices, and elasticity of demand) (from Economics).

[1] FAC 97-06.

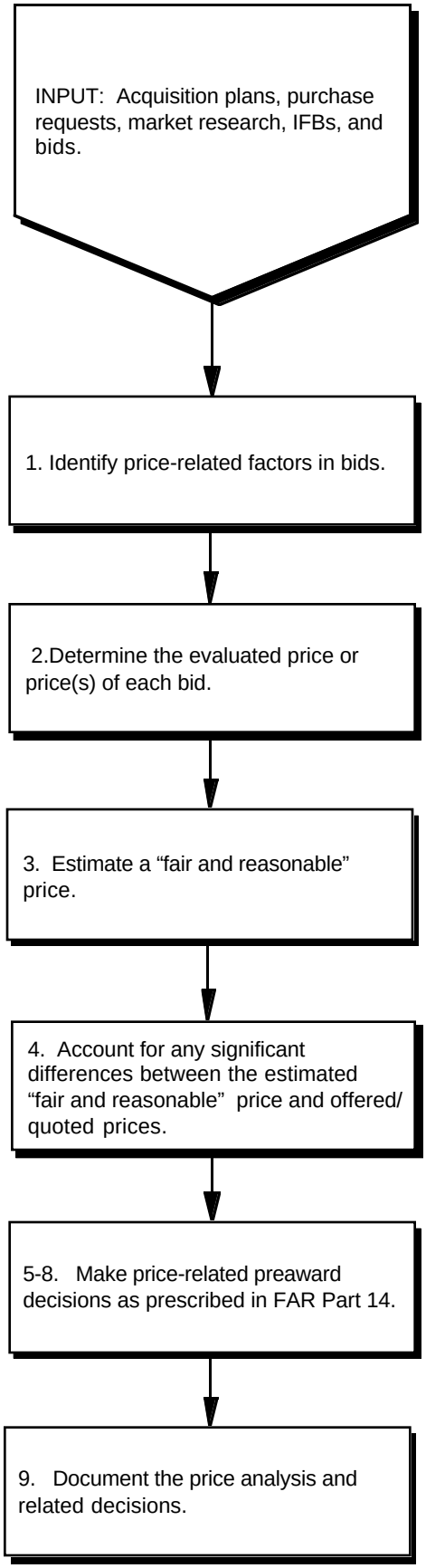
4. Knowledge of logistic support requirements (e.g., technical documentation, supplies, spares and component provisioning, and support facilities), as potential price-related factors (from Industrial Management).

5. Knowledge of price-related factors that typically apply in sealed bidding and skill at applying each such factor in computing evaluated prices.

6. Knowledge of typical pitfalls and errors in evaluating data on prices; knowledge of techniques for analyzing prices and the advantages and disadvantages of each; skill at applying each technique.

Other Policies and References (Annotate As Necessary):

UNIT 33 PRICE ANALYSIS (SEALED BIDDING)



UNIT 33 PRICE ANALYSIS (SEALED BIDDING)

Tasks	Related Standards
1. Identify price-related factors in the bids. Examples: • Price adjustment factors for small disadvantaged business concerns. • Administrative costs of multiple awards. • Maintenance, warranty protection or repair, training, installation, technical manuals, spare parts, and supplemental supplies. • Life Cycle Costing. • Assumed economic price adjustments. • Transportation costs. • Government furnished property. • Options and/or multiyear offers. • Incremental pricing or family buys/quantity discounts. • Energy conservation and efficiency criteria. • Estimated quantities.	1. Identify all factors impacting price, under FAR 14.201-8
2. Determine the *evaluated price*[2] or, when multiple awards may be made, evaluated prices of each bid. Subtasks: • Verify the bidder's computations. • Apply price-related factors (including Buy America Act criteria). • Identify the lowest evaluated price or, if multiple awards may be made, the bids that collectively represent the lowest evaluated price for the procurement	2. Accurately compute the evaluated price or (for evaluating the possibility of multiple awards (FAR 52.215-1), evaluated prices) of each bid, per such policies as FAR 14.408-3 (prompt pay discounts), 14.408-4 (economic price adjustments); 17.206 (options); 19.11 (price evaluation adjustments for small disadvantaged business concerns)[3]; 25.1 and 25.4 (Buy American Act criteria); and 47.306 (transportation factors).

[2]*Evaluated Price* is the price that will actually be used in evaluating an offer against other offers. For example, the IFB may tell the offeror to submit an FOB origin price. To that price, the Contracts Specialist may add transportation costs (from freight rate specialists). The sum of price and transportation costs is the evaluated price.

[3] FAC 97-06.

UNIT 33 PRICE ANALYSIS (SEALED BIDDING)

Tasks	Related Standards
3. Estimate a "Fair and Reasonable Price".[4] • Select the bases for projecting a "Fair and Reasonable Price" (e.g., the bids, catalog/ market/ regulated prices, historical prices, pricing yardsticks, and the IGE). • Select techniques for projecting the "Fair and Reasonable" Price from the selected bases (e.g., index numbers, economic trend analysis, price-volume relationships, improvement curves, CERs, and the ratio of price to estimated direct costs). • Apply the techniques.	3. Do not draw inferences about the reasonableness of the bid prices solely by comparing them against one another. Select the best bases and estimating technique(s), given the data in hand on the procurement and the market. Correctly apply selected estimating techniques. Accurately adjust historical and market pricing data for differences in time, quantity, delivery schedules, packaging, specifications and other such factors to be comparable with proposed prices. Do not project a "fair and reasonable price" from a past price unless that price was reasonable. When projecting from a prior price, correctly account for the impact of changes in the general level of business in the industry
4. Account for any significant difference between the estimated "Fair and Reasonable Price" and the apparent low bid.[5] Potential reasons: • Unexpectedly high bid resulting from vendor collusion, defective specifications, other contract terms, changes in market conditions, or inadequate competition. • Unexpectedly low bid resulting from a vendor's edge in efficiency or technology. • Unexpectedly low bid resulting from vendor's "buy-in" pricing. • Unexpectedly low bid resulting from vendor mistakes, improper wage rates, or other responsibility deficiencies.	4. Given the facts in hand from market research and from acquisition histories, correctly explain any significant differences between the "Fair and Reasonable Price" and the lowest evaluated bid(s).

[4]The "Fair and Reasonable" Price is the price that we should expect to pay, given data on historical prices, current market prices, yardsticks, etc. Also referred to as the "should pay" price.
[5]These are "price-related " reasons for canceling. Other reasons for canceling are identified in Unit 29.

Tasks	Related Standards
5. Determine the need to verify the low bid per the procedures in Unit 52.	5. Verify bids which appear to be unreasonably low (i.e., "so out of line with the amounts of other bids received or with the amount estimated by the agency or determined by the Contracting Officer to be reasonable or if there are other indications of error so clear, as to reasonably justify the conclusion that acceptance of the bid would be unfair to the bidder or to other bona fide bidders"). If the bidder cannot verify the reasonableness of the bid, reject the bid (whether or not the bidder alleges a mistake).
6. Identify unbalanced bids and determine whether to reject any such bid.	6. Correctly identifies bids that are mathematically and also materially unbalanced.
7. Determine whether to cancel the IFB (per the procedures in Unit 29) and either: • Negotiate, or • Resolicit.	7. Cancel if: • The IFB did not provide for consideration of all factors affecting price, such as the cost of transporting Government furnished property to bidder's plants, • Bids indicate needs can be met by a less expensive and different item than solicited, • All otherwise acceptable bids received are at unreasonable prices, • Only one bid is received and its reasonableness cannot be determined, or • The Government withdraws a set aside because no responsible bidder submitted a responsive bid at a fair market price (notify the agency small and disadvantaged business utilization specialist and/or SBA to initiate withdrawal or modification of the set-aside). Negotiate only when funds are available and the costs (in time and money) of resoliciting outweigh any potential benefit (e.g., when market research confirms that resoliciting is not likely to attract new competitors or otherwise result in a different outcome). When resoliciting, identify the causes of unreasonable prices and rework the IFB to overcome them, through such means as: • Changing scope. • Removing goldplating. • Breaking out separate line items and obtaining separate bids on each. • Changing the method of procurement.

UNIT 33 PRICE ANALYSIS (SEALED BIDDING)

Tasks	Related Standards
8. For equally low bids, determine the bid that is in line for award.	8. Comply with procedures in FAR 14.408-6, and 19.202-3 to break the tie.
9. Document the price analysis and related decisions.	

UNIT 34 RESPONSIVENESS

September 1998

Duty	Determine responsiveness to the IFB.
Conditions	Given an IFB and sample bids.
Overall Standard(s)	The apparent low bid complies in all material aspects with the IFB; all minor informalities/irregularities are corrected or waived.

UNIT 34 RESPONSIVENESS

Policies

FAR	*Agency Suppl.*	*Subject*
3.103-2		Evaluating the Certificate of Independent Price Determination.
3.405		Reviewing the Contingent Fee Representation and Agreement.
14.103-2		Award only to responsive bids.
14.202-4		Bid samples.
14.202-5 14.404-4		Descriptive literature.
14.301		Responsiveness of bids.
14.404-2		Rejection of individual bids.
14.404-5		All or none qualifications may be considered responsive.
14-405		Minor informalities or irregularities in bids.
14.406		Receipt of an unreadable electronic bid.
28.101-4		Noncompliance with a bid guarantee requirement.
52.203-2		Certificate of Independent Price Determination.
52.214-10		Award
52.214-12		Preparation of bids.
52.214-17		Affiliated bidders.
52.214-20		Bid samples.
52.214-21		Descriptive literature.
52. 222-21		Certification of nonsegregated facilities.
52.222-22		Previous contracts and compliance reports.
52. 222-25		Affirmative action compliance.
52.223-1		Clean air and water certification.
52.223-4		Recovered material certification.
52.225-1		Buy American certificate.
52.225-6		Balance of Payments program certificate.
52.225-8		Buy American/Trade Agreements/Balance of Payments certificate
52.232-14 52.232-15		Rejection of bids as nonresponsive if conditioned upon progress payments.

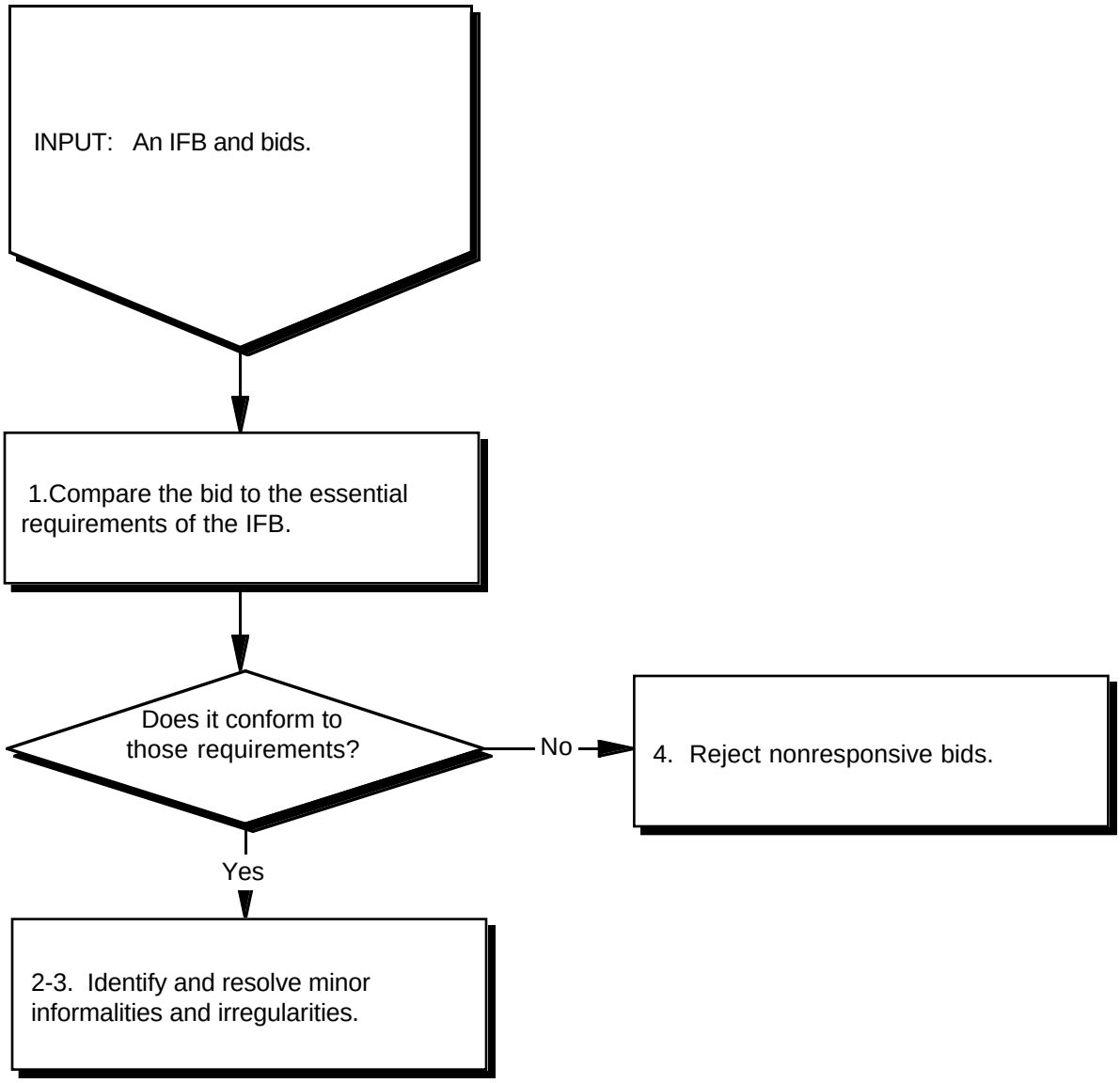
Other KSA's

1. Knowledge of law regarding offers, including requirements with respect to contractual intention and definiteness and for rejection of offers; knowledge of law regarding the nature, creation, and termination of corporations (e.g., mergers, takeovers, and transfer of assets) in the context of applying FAR §14.404-2(k) (from Business Law).

2. Knowledge of holding companies, mergers, and consolidations in the context of applying FAR §14.404-2(k) (from Business Finance).

Other Policies and References (Annotate As Necessary):

RESPONSIVENESS



UNIT 34 RESPONSIVENESS

Tasks	Related Standards
1. Determine whether to reject unreadable electronic bids. Steps: • Determine you can ascertain conformance to the essential requirements of the IFB. • If not, immediately notify the bidder that the bid will be rejected unless the bidder provides clear and convincing evidence (a) of the content of the bid as originally submitted and (b) that the unreadable condition of the bid was caused by Government software or hardware error, malfunction, or other Government mishandling. • Reject the bid absent such evidence.	
2. Determine whether the bid conforms to the essential requirements of the IFB.	2. Correctly identify all material defects in bids and all material variations from the IFB's requirements. Only accept a bid as responsive which: • Conforms to applicable specifications, based in part on a technical review of bid samples and/or descriptive literature (if any). • Conforms to the delivery schedule. • Does not impose conditions that would modify the IFB's requirements or limit the bidder's liability to the Government. • Includes the required Bid Guarantee (but see FAR 28.101-4 on conditions under which non-compliance may not necessitate rejection of the bid). • Has been submitted by a bidder whose assets (in whole or that part related to the bid) have not been transferred to another party after bid opening but prior to award (unless the transfer is effected by merger, operation of law, or other means not barred by 41 U.S.C. 15 or 31 U.S.C. 3727).

UNIT 34 RESPONSIVENESS

Tasks	Related Standards
3. Identify minor informalities and irregularities. Examples: • Failure to provide the required number of copies of signed bids. • Failure to furnish required information on the number of employees. • Failure to sign the bid if accompanied by other material indicating the bidder's intention to be bound by the unsigned bid (e.g., submission of a bid guarantee or a letter signed by the bidder, with the bid, referring to and clearly identifying the bid itself). • Failure to acknowledge receipt of an amendment, but only if the bid clearly indicates that the bidder received the amendment (e.g., the amendment added a line item on which the bidder submitted a bid) or the amendment involves only a matter of form or has a negligible effect (if any) on price, quantity, quality, or delivery. • Failure to furnish affidavits concerning parent company and affiliates (if required). • Failure to execute certifications with respect to Jewel Bearings, Equal Opportunity and Affirmative Action Programs, Previous Contracts and Compliance Reports, and Affirmative Action Compliance. (where required)	3. Identify all minor informalities and irregularities. By definition, a minor informality or irregularity is one that is merely a matter of form rather than substance. It also pertains to some immaterial defect in a bid or variation from the IFB's requirements that can be corrected or waived without prejudice to other bidders. A defect or variation is immaterial when the effect on price, quantity, quality, or delivery is negligible when contrasted with the total cost or scope of the supplies or services being acquired.
4. Provide the bidder with an opportunity to cure any deficiency resulting from a minor informality or irregularity or waive it.	
5. Reject non-responsive bids.	

UNIT 34 RESPONSIVENESS

Tasks	Related Standards

UNIT 35 PROCESSING QUOTES AND PROPOSALS

September 1998

Duties	1. Safeguard, open, and record quotations and proposals. 2. Identify variances from the RFQ/RFP's terms and conditions. 3. Select reviewers and assign responsibility for analyzing the quotations or proposals.
Conditions	Given a solicitation and the offers/quotations.
Overall Standard(s)	Correctly identify all variances from the RFQ/RFP's terms and conditions. Correctly distinguish variances that can be resolved through clarification and/or waived per FAR 52.215-1(f). Following the closing date for proposals, immediately exclude (and notify the offerors of such exclusion) proposals that are no longer being considered for award.

UNIT 35 PROCESSING PROPOSALS

Policies

FAR	*Agency Suppl.*	*Subject*
3.103		Independent pricing.
3.104		Safeguarding source selection and proprietary information.
3.405		Contingent fee representation.
15.207		Handling proposals and information
15.208		Submission, modification, revision, and withdrawal of proposals
15.306		Exchanges with offerors after receipt of proposals.
15.303(b)		Selection of personnel to review and advise on proposals.
19.1 19.301 19.502-4		Rejecting offers from large business concerns for set-aside awards
25.405		Requirement to open offers in the presence of an impartial witness when the Trade Agreement Act applies.
52.203-2 and 203-5		Certificates of independent pricing and contingent fee representation.
52.215-1		Instructions to Offerors - Competitive Acquisition
52.215-5		Facsimile proposals.

Other KSA's

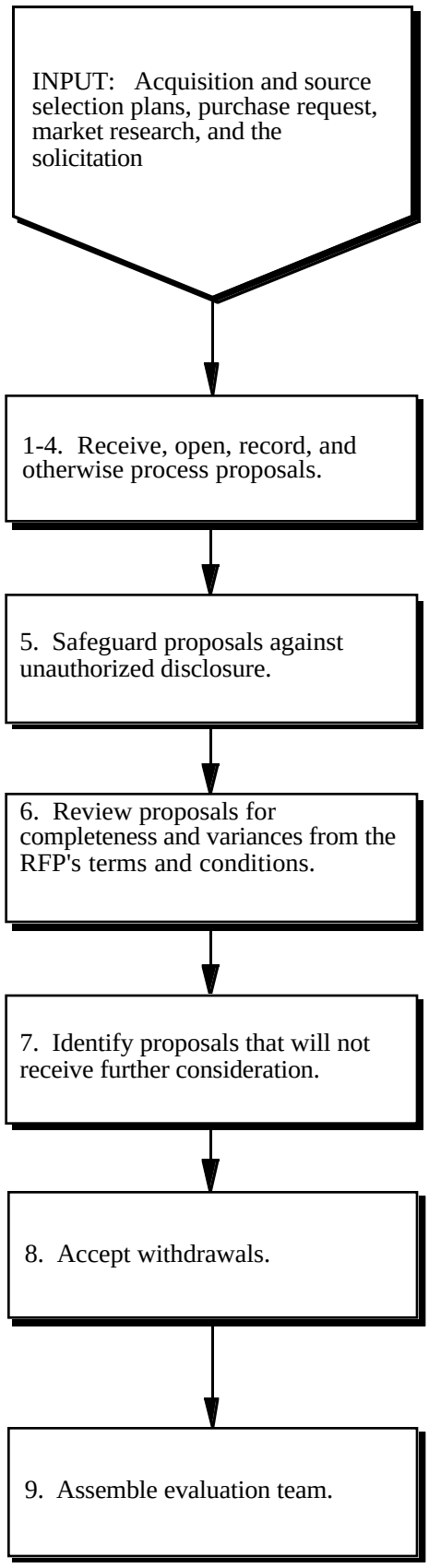
1. Knowledge of representations, certifications and other data typically required of offerors as part of their proposals.

2. Skill at distinguishing clerical and other minor errors from issues that would require communication or discussion (if the proposal or quote reaches that phase of the source selection process).

3. Skill in dealing with offerors' questions on the status of the proposal - good judgement and discretion, applying a knowledge of what offerors can properly be told or not told at this point in process.

Other Policies and References (Annotate As Necessary):

PROCESSING PROPOSALS



UNIT 35 PROCESSING PROPOSALS

Tasks	Related Standards
1. Mark proposals/quotations and modifications with dates and times of receipt.	
2. Safeguard proposals and quotations, other proprietary information, and source selection information against unauthorized disclosure (to the public or anyone in Government not having a legitimate interest).	2. Comply with FAR 3.104, 15.207, and 15.306(e) in safeguarding information on: • Source selection and technical evaluation plans. • Number and identity of offerors. • Information contained in the proposals. • A restriction placed on disclosure and use of data by an offeror. • Field pricing reports and audits. • Cost or price evaluations of proposals. • Technical evaluations. • Competitive range determinations. • Rankings of proposals or competitors. • Reports and evaluations of source selection panels, boards or advisory councils. • Other proprietary and source selection information.
3. Open and record proposals or quotations.	
4. Request resubmission of unreadable portions. • Immediately notify the offeror • Prescribe the method and timing of the resubmission (after consulting the offeror). • Consider the resubmission as if it had been received at the time and date or the original submission.	4. If otherwise late under FAR 15.208(a), consider the resubmission only if the offeror complies with the time and format requirements for resubmission prescribed by the contracting officer.
5. Identify and determine allowability of late proposals (See Unit 32) and quotations.	

UNIT 35 PROCESSING PROPOSALS

Tasks	Related Standards
6. Review proposal or quotation for completeness: • Identify minor or clerical variances between the offer/quote and solicitation terms; contact offeror to clarify. • Identify differences between the solicitation vis-a-vis terms and conditions of the vendor's submission.	6. Correctly distinguish variances that can be resolved through clarification and/or waived per FAR 52.215-1(f).
7. Identify proposals and quotations that will not receive further consideration. Examples: • Offer or quote from a vendor known to be debarred or suspended. • Offers or quotes from large business concerns if award has been set-aside for small business concerns. • Specific evidence or other reasonable basis to suspect misrepresentation or violation of the covenant against contingent fees.	7. Obtain an SBA determination prior to rejecting an offer from a self-certified small business concern (see the Unit 48 for more details on obtaining an SBA determination).
8. Accept withdrawals.	8. 15.208 (g) Withdraw written proposals upon receipt by the contracting officer of a written notice of withdrawal. Accept oral withdrawals of oral proposals. Document the contract file when such oral withdrawals are made. Retain one copy of each withdrawn proposals in the contract file (see 4.803(a)(10)). You may destroy extra copies of the withdrawn proposals or return the copies to the offeror at the offeror's request. But return extremely bulky proposals only at the offeror's request and expense. Upon withdrawal of an electronically transmitted proposal, DO NOT view the data received and purge that data from primary and backup data storage systems.

Tasks	Related Standards
9. Assemble the evaluation team and ensure there are no conflicts of interest with the offerors/quoters. • Technical per Unit 36. • Audit per Unit 39. • Legal. • Contract administration. • Contract pricing. • Financial. • Packaging. • Logistics/Quality control. • Engineering traffic management. • Other.	9. Ensure team members comply with FAR 3.104 and 15.306(e) in disclosing source selection and proprietary information to the specialists. Verify members and, where necessary, identify and request the services of additional personnel.

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

February 1999

Part A: Evaluating Quotes

Duties

Apply non-price factors in evaluating quotes

Conditions

Given the RFQ, quotations, and information on the technical characteristics of supplies or services being procured.

Overall Standard(s)

Work with designated evaluators to apply non-price factors in an efficient and minimally burdensome fashion, to:

- Accurately assess the technical acceptability of quotations.
- Where permitted by the RFQ, make valid and reliable comparative evaluations of quotations.
- Obtain sufficient information to support determinations on (a) need to amend or cancel the RFQ, (b) the need to conduct fact finding and/or negotiations; (c) the quoter or quoters (if any) with whom to negotiate; (d) negotiation objectives; and (e) the quotation in line for award.

Ensure that assessments of technical acceptability and comparative evaluations (if any) are (a) based solely on requirements documents and nonprice evaluation factors in the solicitation and (b) satisfy standards for reliability and validity. Obtain documentation of evaluator findings and recommendations that is adequate and complete in terms of (a) providing constructive feedback to quoters regarding their technical proposals and (b) being able to sustain the Government's position on awarding to other than the lowest priced quotation in protest forums.

Part B: Evaluating Proposals

Duties

1. Develop and communicate guidance to technical evaluators.
2. Analyze technical evaluation reports.

Conditions

Given the RFP, technical proposals, and information on the technical characteristics of supplies or services being procured.

Overall Standard(s)

Provide technical evaluators with complete and correct instructions on evaluating technical proposals. The findings and recommendations of the technical evaluators, after review of the technical evaluation memorandum and follow-up discussions with the evaluators, provide information sufficient to:

- Determine the technical acceptability of proposed deliverables.
- Determine the need for communications/fact finding.
- Determine the need for amending or canceling the RFP.
- Present and support negotiation objectives (i.e. areas of discussion).
- Support the Contracting Officer's determination of the competitive range.
- Provide constructive information to offerors regarding their technical proposals for debriefings.

Ensure that assessments of technical acceptability and trade-off analyses (if any) are (a) based solely on requirements documents and nonprice evaluation factors in the solicitation and (b) satisfy standards for reliability and validity. Obtain documentation of evaluator findings and recommendations that is adequate and complete in terms of (a) providing constructive information to offerors regarding their technical proposals for debriefings and (b) being able to sustain the Government's position on ratings/scoring in protest forums.

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

February 1999

Part C: Surveying Past Performance

Duty	Survey other customers of the offeror
Conditions	Given the solicitation, proposals, and information from the offeror and other sources on past and current customers of the offeror
Overall Standard(s)	Survey questions are designed to collect consistent (from one offeror to the next), reliable and valid data for applying the past performance evaluation factors (price and non-price) stated in the solicitation. When conducting surveys, do not disclose source selection information, such as information on other offerors or on the contents of proposals. Before applying past performance information, provide the offeror an opportunity to discuss information obtained from the customers (but never reveal the names of individuals who provided the past performance information). When developing an overall judgment on the offeror's past performance, consider such factors as: • The number and severity of an offeror's problems, in relation to the offeror's overall work record • The age and relevance of past performance information. • Potential bias on the part of any given customer (e.g., whether the customer is a potential competitor of the offeror for other requirements) • The extent to which poor performance by an offeror on a past contract may have been as much or more the fault of the customer • Differences in requirements between the current solicitation and contracts with the customer (e.g., differences in the level of technical and performance risk) • The extent to which the offeror has taken measures to correct past problems (e.g., are ratings improving with time?) • Survey-related bias (e.g., the "halo" effect). Provide sufficient documentation for the file to demonstrate that the Government's evaluation of past performance was fair, impartial, and reasonable given available data.

Part D: Scheduling, Managing, and Documenting Oral Presentations

Duty	Schedule, manage, and document oral presentations
Conditions	Given acquisition and source selection plans, purchase request, market research, an RFP that requires oral presentations, and proposals.
Overall Standard(s)	Enforce groundrules and comply with standards, when scheduled after the competitive range determination, for factfinding (Unit 43) and discussions (Unit 46). Comply with all policies on exchanging information in FAR 3.104 and 15.306.

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Policies

FAR	*Agency Suppl.*	*Subject*
3.104		Procurement integrity.
11.801		Preaward in-use evaluation.
13.003(h)		Authority to use procedures in FAR Part 15.
13.106-2(b)		Evaluating quotes.
13.106-3(b)(3)		Documenting the file to support the award decision if other than price-related factors were considered in selecting the supplier.
15.102		Oral Presentations.
15.303(c)		CO's responsibility to control exchanges after receipt of proposals.
15.305(a)(2)		Past performance evaluation.
15.305(a)(3)		Technical evaluation.
15.306		Exchanges with offerors after receipt of proposals.
15.404-1(e)		Technical analysis.
19.12		Applying the SDB factor; evaluating past performance of offerors in complying with subcontracting plan goals for SDB concerns, monetary targets for SDB participation, and notifications submitted under 19.1202-4(b).

Other KSA's

1. Knowledge of organization and management.

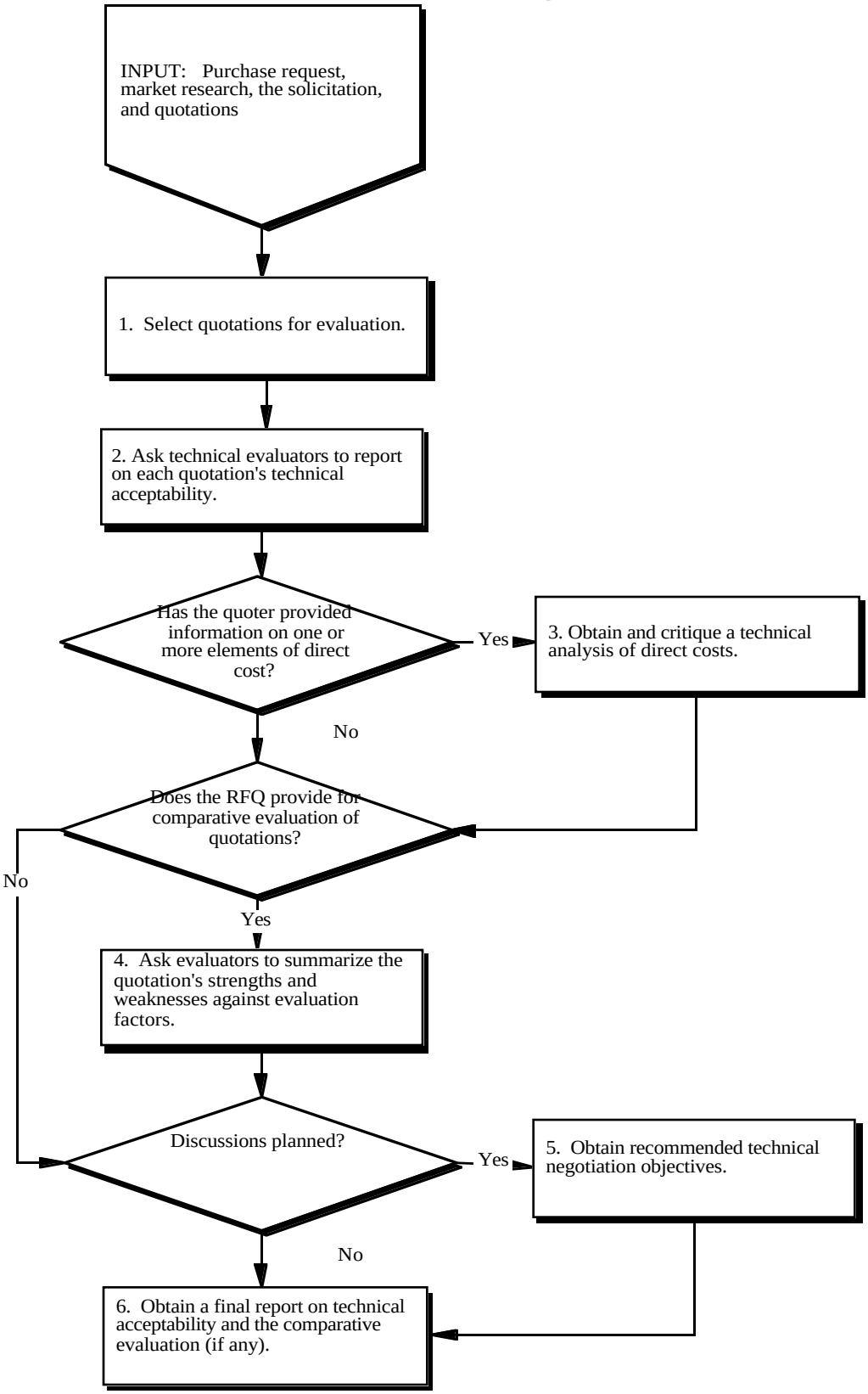
2. Knowledge of basic principles for evaluating proposals established in Comptroller General decisions and other case law. Example:

- While procuring agencies have broad discretion in determining the evaluation plan they will use, they do not have the discretion to announce in the solicitation that one plan will be used and then follow another in the evaluation. Once offerors are informed of the criteria against which their proposals will be evaluated, the agency must adhere to those criteria or inform all offerors of any significant changes made in the evaluation schedule. Greenebaum and Rose Assocs., B-227807, Aug. 31, 1987, 87-2 CPD P 212. (B-236603.2 , Matter of: Gracon Corporation—Request for Reconsideration, May 24, 1990.)

Other Policies and References (Annotate As Necessary):

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part A Evaluating Quotations



UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part A Evaluating Quotations

Tasks	Related Standards
1. Select quotations for evaluation. If you have received relatively few quotations, select all for the evaluation. If a large number of quotations have been received (e.g., as a consequence of soliciting quotations through a Governmentwide certified Electronic Data Interchange System): • Start with the lowest priced quotation (using evaluated prices from the price analysis in Unit 37 rather than quoted prices). • Screen up until you have identified at least one deliverable which appears suitable to the user (such as the lowest priced brand name product). Include all quotations up to that deliverable in the subsequent evaluation. • When the RFQ indicates that one or more factors will be used for comparative evaluation (rather than technical acceptability), screen higher priced quotations for two or three additional deliverables which appear suitable to the user (such as additional brand name products). • To the extent that the RFQ required quoters to provide the necessary information and/or that information is readily available, work with technical evaluators to quickly screen out quotations based on such readily discernible value indicators as past performance, warranty conditions, and maintenance availability.	A1. Only use value indicators that were identified in the RFQ. Document the use of these indicators as necessary to support the award decision.
2. Ask technical evaluator(s) to report on each quotation's technical acceptability. • Acceptable. • Reasonably susceptible of being made acceptable in negotiations. • Unacceptable.	
3. Obtain and critique a technical analysis of proposed types and quantities of materials, labor, processes, special tooling, facilities, the reasonableness of scrap and spoilage, and other associated factors.	A3. Identify information on proposed labor mix and hours, material mix and quantities, tasks or schedules that are inconsistent with that supplied by the quoter or with that obtained from other sources.

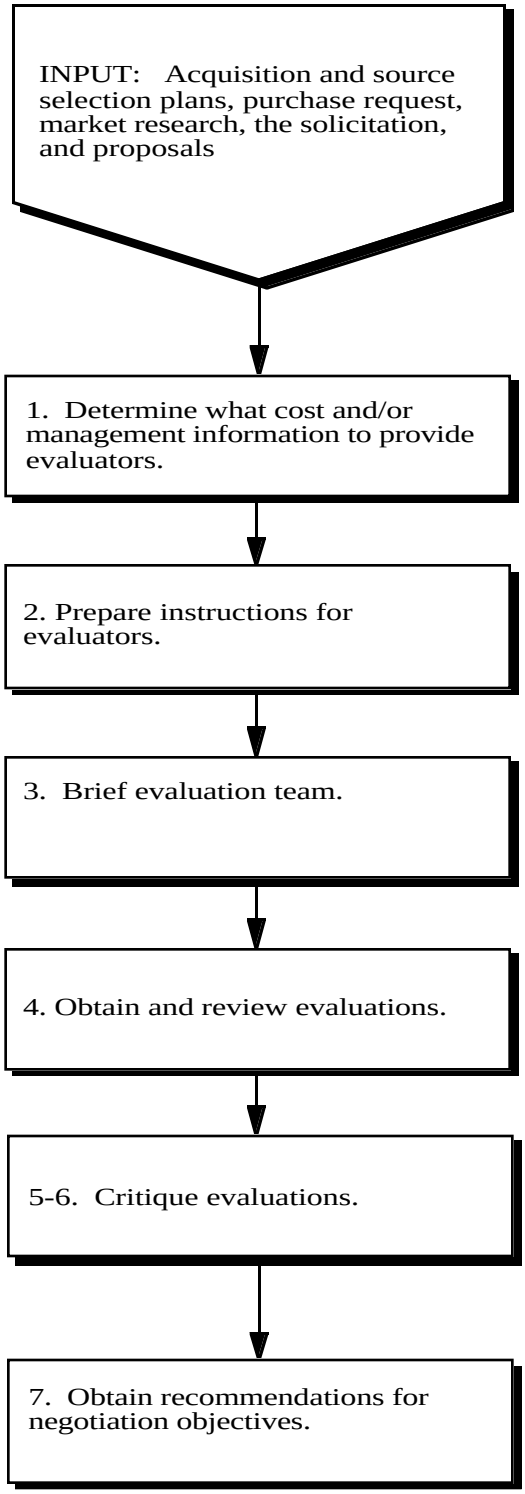
UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part A Evaluating Quotations

Tasks	Related Standards
4. When non-price factors are to be applied for comparative evaluations of quotations, ask evaluators to summarize the quotation's strengths and weaknesses in terms of each such factor.	
5. Obtain from technical personnel any recommended technical negotiation objectives to better meet the Government's requirements. • Consideration of any need for factfinding to clarify quotations and, if necessary, specifics on what must be asked of the quoter. • Consideration of any need to amend or cancel the RFQ, and, if necessary, the nature of any such amendment. • Recommended negotiation objectives.	A5. Obtain sufficient factual data to establish and support negotiation objectives. Identify recommended technical objectives. Be careful to note areas that might reveal an offeror's technical solution, including unique technology, innovative and unique uses of commercial items, or any information that would compromise an offeror's intellectual property to another offeror.
A6. Obtain a final report for the contract file from technical evaluators on: • Determinations of technical acceptability. • Where made, the findings and conclusions of the comparative evaluation of quotations.	A6. As prepared by the evaluators after follow-on questions and input from the Contract Specialist, the report meets the standards for this duty.

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part B Evaluating Proposals



UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part B Evaluating Proposals

Tasks	Related Standards
1. Determine what cost and/or management information to provide evaluators responsible for nonprice factors.	B1. Ensure that all evaluators have access to information of value in performing their respective roles. For example, technical evaluators may be provided cost information for determining whether the technical approach and price are consistent and represent a reasonable amount of risk (i.e., for cost realism analyses).
2. Prepare instructions for evaluator(s) and/or evaluation team. Request: • An overall comparative assessment of each proposal's potential for award. • Initial ratings and/or analysis of how each proposal fares against the solicitation's factors and, if any, subfactors. • Added details on the proposal's specific deficiencies and relative strengths. • If necessary for cost or price analysis (or cost realism analysis), an analysis of proposed labor mix and hours, material mix and quantities, proposed special tooling and facilities, proposed scrap and spoilage factors, tasks, schedule, and other such data. • Consideration of any need for factfinding/communications to clarify offerors' proposals and, if necessary, specifics on what must be asked of the offeror. • Consideration of any need to amend or cancel the RFP, and, if necessary, the nature of any such amendment. • Recommended negotiation objectives. • Signature of the evaluator's head (and any other signatures required by agency policy) on summary evaluation report.	B2. Instructions should be clear and enumerate all responsibilities of evaluator(s) and concerns of the contracting officer, including those listed in FAR 15.404-1(e). (Upon receipt of final proposal revisions, a supplemental report may be requested on revised technical proposals). Request factual support for all determinations and conclusions.
3. Brief evaluation team. • Stress importance of evaluating against factors and subfactors of RFP. • No contact with any offerors or on-site visits unless approved by the contracting officer. • Necessity to safeguard source selection and proprietary information. • Provide additional instructions to evaluators. • Ensure there is no conflict of interest.	B3. Thoroughly and correctly answer all questions from source selection participants on the evaluation process.

Tasks	Related Standards
4. Obtain and critique a technical analysis of proposed types and quantities of materials, labor, processes, special tooling, facilities, the reasonableness of scrap and spoilage, and other associated factors.	B4. Identify data on proposed labor mix and hours, material mix and quantities, tasks or schedules that are inconsistent with the offeror's proposals, audit reports, or data from other sources.
5. Obtain and critique the initial trade-off analysis or determination of technical acceptability.	B5. As prepared by the evaluators after follow-on questions and input from the Contract Specialist, evaluations of technical proposals meet the standards for this duty. When making lowest price/technically acceptable determinations, determinations of technical acceptability must be based solely on factors and subfactors in the RFP (including the statement of work, any special standards of responsibility, and/or technical factors for evaluating acceptability). When performing a trade-off analysis, ratings or scoring must be based solely on RFP evaluation factors and the agreed upon methodology from Unit 15. Ratings or scoring should be reliable and valid. Proposals should not be rated or scored against each other. To support the ratings or scoring, obtain the following documentation from the participants: • Basis for evaluation. • Analysis of the proposal's strengths and weaknesses against each technical evaluation factors and subfactors. • A summary, matrix, or quantitative rating or score of each technical proposal in relation to the best possible score. • Summary of findings. Although the evaluation team may assess the relative qualities of the proposals, it must do so based solely on the factors and subfactors specified in the solicitation.
6. Obtain from technical personnel any recommended technical negotiation objectives to better meet the Government's requirements.	B6. Obtain sufficient factual data to establish and support negotiation objectives. Identify recommended technical objectives. Be careful to note areas that might reveal an offeror’s technical solution, including unique technology, innovative and unique uses of commercial items, or any information that would compromise an offeror’s intellectual property to another offeror.

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part C Surveying Past Performance

Tasks	Related Standards
1. Determine whether to survey the past and/or current customers of the vendor.	C1. When awarding under FAR Part 15 procedures, do NOT survey the customers of offerors whose offers are not likely to make the competitive range on based on factors other than past performance. When awarding under FAR Part 13 procedures, limit evaluations of past performance to vendors under consideration for negotiations (if any) and/or award.
2. Identify past and/or current customers for the survey.	C2. Include customers identified by the vendor with respect to past or current contracts (including Federal, State, and local government and private) for efforts similar to the Government requirement. When such information is relevant to the instant acquisition, also attempt to survey customers of predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement (especially if the vendor is so new that it is difficult to find customers).
3. Develop survey questions.	C3. Survey questions are designed to collect consistent (from one offeror to the next), reliable and valid data for applying the past performance evaluation factors (price and non-price) stated in the solicitation. Ensure that survey questions are short and on point.
4. Conduct surveys.	C4. When conducting surveys, do not disclose source selection information, such as information on other offerors or on the contents of proposals. Be prepared to discuss information and respond to reasonable questions.
5. Discuss survey findings and/or other past performance information with offerors/quoters.	C5. Before applying past performance information, provide the vendor an opportunity to discuss adverse information obtained from the customers (but never reveal the names of individuals who provided the past performance information).

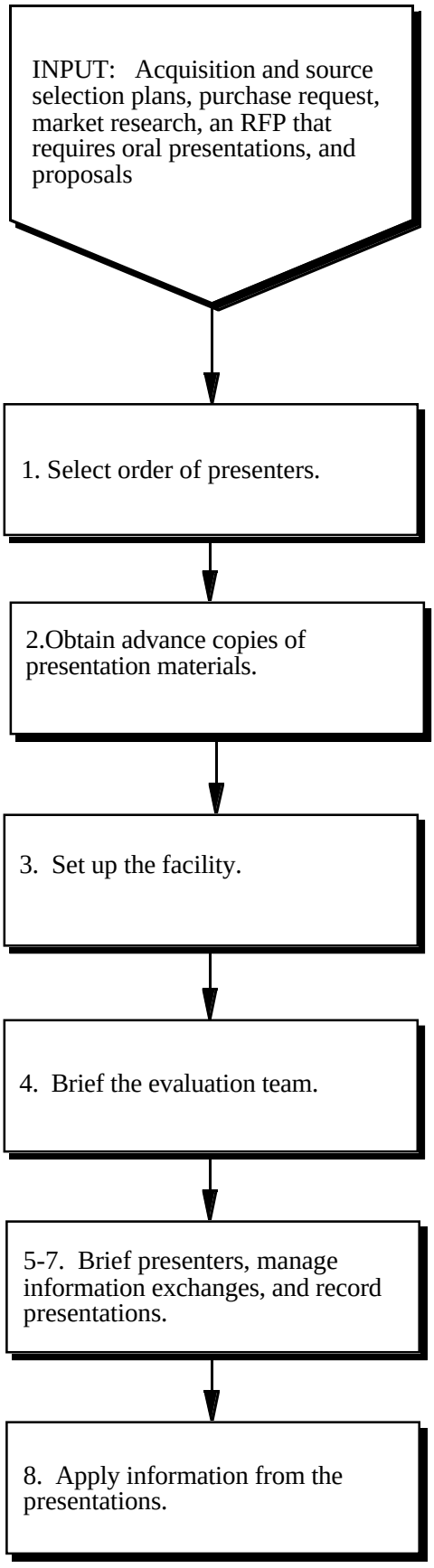
UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part C Surveying Past Performance

Tasks	Related Standards
6. Rate past performance. • Consider information from the vendor on problems encountered on the identified contracts and the offeror's corrective actions. • Also consider information obtained from any other sources.	C6. When developing an overall judgment on the vendor's past performance, consider such factors as: • The vendor's overall work record. • Whether the vendor has knowledge of adverse past performance. • The number and severity of an vendor's problems, in relation to the vendor's overall work record • The age and relevance of past performance information to the requirement. • Potential bias on the part of any given customer (e.g., whether the customer is a potential competitor of the vendor for other requirements) • The extent to which performance by an vendor on a past contract was mitigated by corrective actions. • Differences in requirements between the current solicitation and contracts with the customer (e.g., differences in the level of technical and performance risk) • The extent to which the vendor has taken measures to correct past problems (e.g., are ratings improving with time?). • Effectiveness of corrective actions taken by the vendor. • Survey-related bias (e.g., the "halo" effect). In the case of an vendor without a record of relevant past performance or for whom information on past performance is not available, the vendor may not be evaluated favorably or unfavorably on past performance.
7. Document past performance ratings.	C7. Provide sufficient documentation for the file to demonstrate that the Government's evaluation of past performance was fair, impartial, and reasonable given available data.

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part D Scheduling, Managing, & Documenting Oral Presentations



UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part D Scheduling, Managing, & Documenting Oral Presentations

Tasks	Related Standards
1. Select the order of the presenters.	D1. Keep the time between the first and last presentation as short as possible to minimize any advantage to the later presenters. Consider drawing lots to determine the order.
2. Obtain advance copies of presentation materials for the evaluation team.	
3. Set up the facility.	D3. Make the facility: • Comfortable for both presenters and the Government evaluation team. • Accessible (e.g., security clearances; disabled) • Available, if possible, for inspection by offerors prior to the time set for actual presentation.
4. Brief the evaluation team prior to presentations. • Review the groundrules in the RFP. • Remind team members of their roles and responsibilities during and after presentations. • Stress the need for compliance with policies regarding disclosure of information provided by offerors.	D4. As a general rule, all of the Government evaluators should attend every presentation. Ensure that all evaluators are able to correctly distinguish their roles and responsibilities and applicable limits on exchanges.
5. Review groundrules for the presentation with the offeror. • Groundrules from the RFP. • Restrictions on the dialogue. • Information disclosure rules. • Documentation requirements. • Housekeeping items.	

UNIT 36 APPLYING PAST PERFORMANCE, TECHNICAL, AND OTHER NON-PRICE FACTORS

Part D Scheduling, Managing, & Documenting Oral Presentations

Tasks	Related Standards
6. Manage the exchange of information during presentations.	D6. The contracting officer must attend and should chair the presentation. Maintain control of the Government team members and, if after the CRD, conduct factfinding and discussions per Units 43 and 46. Ensure compliance with FAR 3.104, 15.303(c), and 15.306. Enforce the groundrules.
7. Record the presentations.	D7. Require the offeror to put in writing any information that the parties intend to include in the contract as material terms or conditions. Incorporation by reference of oral statements is not permitted. If you record the presentation of one offeror (e.g., by videotaping, audiotaping, verbatim written transcripts), then similarly record all presentations. Records of the presentations should be sufficient to permit evaluators to reverify information (akin to a jury reviewing transcripts of the trial to help in its deliberations) and to support the Government's position in a protest by any party.
8. Apply information from the presentations.	D8. Caucus with the team after the conclusion of the presentation. Immediately (while still fresh to the ear) apply information from the presentations in evaluating proposals and preparing for additional factfinding and discussions (per Units 43 and 45).

UNIT 37 PRICE ANALYSIS (NEGOTIATION)

September 1998

Duty

Reach decisions on:

- Prenegotiation positions on price.
- Whether there is a need to cancel and resolicit for price related reasons (see Unit 29).
- Whether there is a need for communications/factfinding (see Unit 43).
- Whether there is a need for cost information (see Unit 40).
- Whether there is a need to negotiate.

Conditions

Given requests for proposals, proposals, technical data, purchase requests, Government independent cost estimates, data from market research, acquisition histories, and pricing information from offerors (if any)

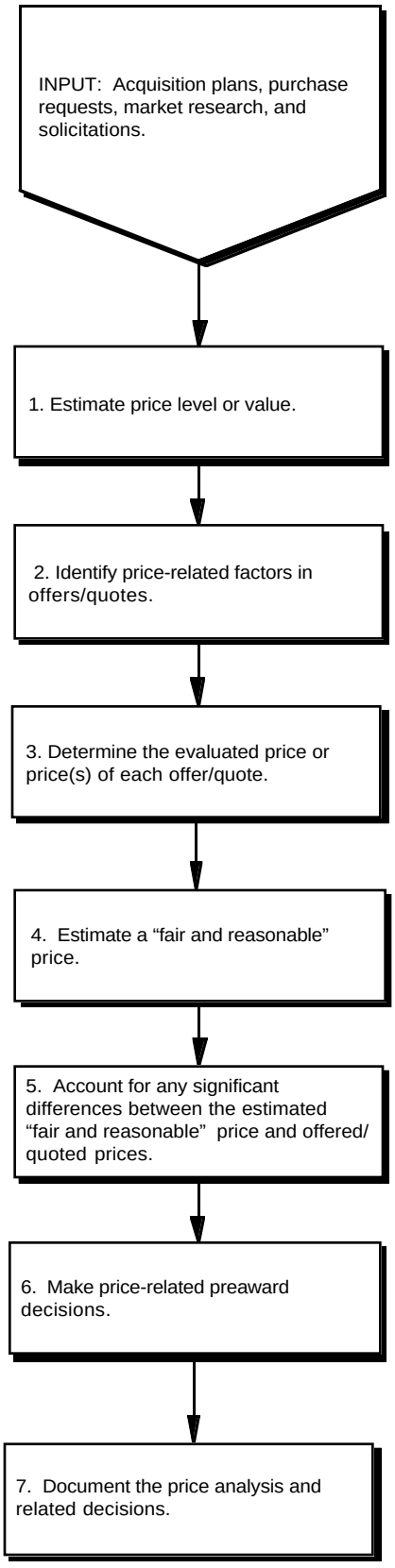
Overall Standard(s)

Only award to an offer that is fair and reasonable.

Consider all price-related factors and accurately calculate evaluated prices. Identify all comparative data, select techniques to adjust base prices for equitable comparison with proposed prices, and accurately adjust the prices. Correctly determine when additional communications/ factfinding or cost information are necessary to develop negotiation objectives. Logically derive price negotiation objectives and competitive range determinations from available pricing information.

Price each contract separately and independently, without regard for proposed price reductions on other contracts or losses or profits realized or anticipated under other contracts. Include no amount for any specified contingency if the contract provides for price adjustment based on the occurrence of that contingency.

If cost or pricing data are not required, "the contracting officer shall make a price analysis to determine the reasonableness of the price and any need for further negotiation". [§15.404-1(a)(2) & (3)]


INPUT: Acquisition plans, purchase requests, market research, and solicitations.
1. Estimate price level or value.
2. Identify price-related factors in offers/quotes.
3. Determine the evaluated price or price(s) of each offer/quote.
4. Estimate a “fair and reasonable” price.
5. Account for any significant differences between the estimated “fair and reasonable” price and offered/ quoted prices.
6. Make price-related preaward decisions.
7. Document the price analysis and related decisions.

UNIT 37 PRICE ANALYSIS (NEGOTIATION)

Tasks	Related Standards
1. Estimate the proper price level or value of the supplies or services to be purchased prior to soliciting. Subtasks: • Determine whether the Independent Government Cost Estimate (IGE) is supported by the facts and documentation provided by the requiring activity. • Identify relevant historical pricing data and data on market trends and prices (from Unit 5). • Identify factors that are likely to influence offered prices (e.g., overall levels and trends in supply and demand, market segmentation, nature and extent of competition, etc.) • Given those factors, calculate the range of probable offers.	1. Correctly calculate the probable range of prices that will be offered and key cost drivers.
2. Identify price-related factors in the proposals (see Unit 14): • Price adjustment factors for small disadvantaged business concerns. • Administrative costs of multiple awards. • Maintenance, warranty protection or repair, training, installation, technical manuals, spare parts, and supplemental supplies. • Life Cycle Costing. • Assumed Economic Price Adjustments. • Transportation. • Government furnished property. • Options and/or multiyear offers. • Incremental pricing or family buys/quantity discounts. • Energy conservation and efficiency criteria. • Estimated quantities. • Other.	
3. Determine the evaluated price or prices[2] of each offer (as in Unit 33). Subtasks: • Verifying the offeror's computations. • Applying price-related factors (including Buy America Act criteria). • Apply, as the final factor, the SDB preference (if applicable).	3. Correctly calculate an evaluated price or (if multiple awards are possible) prices for each proposal by applying price-related factors in the RFP, per such policies as 17.206 (options); 19.11 (price evaluation adjustments for small disadvantaged business concerns) [3]; 25.1 and 25.4 (Buy American Act criteria); and 47.306 (transportation factors). To the extent that offers are premised on overtime and shift premiums, deduct said premiums from the evaluated price (per FAR 22.103-3).

[2]Evaluated Price is the price that will actually be used in evaluating an offer against other offers. For example, the RFP may tell the offeror to submit an FOB origin price. To that price, the Contracts Specialist may add transportation costs (from freight rate specialists). The sum of price and transportation costs is the evaluated price.

[3] FAC 97-06.

Tasks	Related Standards
4. Estimate a "Fair and Reasonable Price".[4] • Select the bases for projecting a "Fair and Reasonable Price" (e.g., the offers, commercial prices, prices for the same or similar items obtained through market research, historical prices, pricing yardsticks, and the IGCE). • Select techniques for adjusting base prices for comparison with evaluated prices (e.g., index numbers, economic trend analysis, price-volume relationships, improvement curves, CERs, and the ratio of price to estimated direct costs). • Apply the techniques.	4. Do not draw inferences about the reasonableness of proposed prices solely by comparing them against one another. Select the best bases and estimating technique(s), given the data in hand on the procurement and the market. Correctly apply selected estimating techniques. Accurately adjust historical and market pricing data for differences in time, quantity, delivery schedules, packaging, specifications and other such factors to be comparable with proposed prices. Do not project a "fair and reasonable price" from a past price unless that price was reasonable. When projecting from a prior price, correctly account for the impact of changes in the general level of business in the industry.

[4]The "Fair and Reasonable" Price is the price that we should expect to pay, given data on historical prices, current market prices, yardsticks, etc. Also referred to as the "should pay" price.

Tasks	Related Standards
5. Account for any significant differences between the estimated "Fair and Reasonable Price" and offered prices. Potential reasons: • Unexpectedly high prices resulting from vendor collusion, defective specifications, other contract terms, changes in market conditions, or inadequate competition. • Unexpectedly low prices resulting from a vendor's edge in efficiency or technology. • Unexpectedly low prices resulting from vendor's "buy-in" pricing. • Unexpectedly low prices resulting from vendor mistakes, improper wage rates, or other deficiencies in the proposal.	5. Given the facts in hand from market research and from acquisition histories, correctly explain any significant differences between the "Fair and Reasonable Price" and the offered prices. Identify potential tradeoffs between price and other proposed terms and conditions that could yield lower prices. Identify other deficiencies in the offeror's pricing that merit discussion (e.g. unbalanced offers).
6. Make price-related preaward decisions. • The need for cost information (when cost information had not already been obtained under the requirements). • The need for discussions (when the solicitation provides for award without discussions). • Competitive range (See Unit 44, especially for application of FAR 15.306(c)). • Need for post-competitive range factfinding. • Prenegotiation positions on price (lowest reasonable price, the highest reasonable price. • Potential tradeoffs between price and other terms. • Need to cancel and resolicit. • Need to withdraw or modify a set aside.	6. Cancel and resolicit when there is a strong probability of obtaining a net decrease in the acquisition's total cost to the Government.[5] Award without discussions per Unit 43 when there is no reasonable indication that the Government would obtain a net savings by holding discussions. After the determination of the competitive range, initiate factfinding when available information is not sufficient to determine the reasonableness of a proposed price. Request cost information when price analysis alone is not sufficient to establish valid prenegotiation positions. Withdraw or modify a set-aside if no responsible small business has submitted a responsive offer at a fair market price (after discussions, if final proposal revisions from small business's do not result in a fair market price). Notify the agency small and disadvantaged business utilization specialist and/or SBA to initiate withdrawal or modification of the set-aside.
7. Document the price analysis and related decisions.	

[5]See, for example, Comptroller General decisions B-235208, August 9, 1989, matter of GKS, Inc.; and B-237531, August 17, 1990, matter of Adrian Supply Company.

UNIT 37 PRICE ANALYSIS (NEGOTIATION)

Tasks	Related Standards

UNIT 38 PRICING INFORMATION FROM OFFERORS

September 1998

Part A: Exceptions to Cost or Pricing Data

Duty	Determine whether or not cost or pricing data are required
Conditions	Given the market research and commerciality decision
Overall Standard(s)	Do NOT require cost or pricing data if an exception applies.

Part B: Information Other Than Cost or Pricing Data

Duty	Determine the pricing information (if any) to request of offerors
Conditions	Given that the offeror(s) are excepted from requirements of cost or pricing data
Overall Standard(s)	Identify information necessary to analyze prices and/or cost realism. To establish the reasonableness of the offered price, do NOT obtain more information than is necessary. To the extent permitted by FAR §15.402(a) and §15.403-1(b), use the following order of preference in determining the type and source(s) of information necessary to establish a fair and reasonable price. • No further information from the offeror if the price is based on adequate price competition, except as provided by 15.403-3(b). • Price-related information from sources other than offerors (relying first on information available within the Government and second on information obtained from sources other than the offeror). • Only if necessary, information related to prices (e.g., established catalog or market prices) from the offeror. • Only if necessary, cost information which does not meet the definition of cost or pricing data at 15.401.

Part C: Cost or Pricing Data

Duty	Obtain cost or pricing data.
Conditions	Given a determination cost or pricing data are required.
Overall Standard(s)	Correctly follow the procedures at FAR 15.403-4.

UNIT 38 PRICING INFORMATION FROM OFFERORS

FAR	*Agency Suppl.*	*Subject*
15.401		Definitions.
15.402		Pricing policy – order of precedence in requesting information to support price and cost analysis.
15.403-1 & 403-2		Prohibitions re: obtaining cost or pricing data.
15.403-3		Requiring information other than cost or pricing data
15.403-4		Requirements for cost or pricing data.
15.403-5		Instructions for submitting cost or pricing data or information other than cost or pricing data.
15.406-2		Certificates of current cost and pricing data.
15.408		Solicitation provisions and contract clauses
15.404-3		Subcontract pricing considerations.
52.214-28 52.215-12 & 13		Subcontractor cost or pricing data; both for initial contracts and modifications.
52.215-20		Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (RFP Provision)
52.215-21		Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data—Modifications (Contract clause)

General Principles

Cost or pricing data are now the data of LAST resort, rather than the data of FIRST resort, in cost and price analysis. In fact, the FAR prohibits contracting officers from obtaining cost or pricing data if an exception applies. Even if an exception does not apply, the FAR strongly encourages a waiver if price reasonableness can be determined without resorting to cost or pricing data. Why? Because reliance on cost or pricing data when such data are not necessary:

- Increases proposal preparation costs
- Generally extends acquisition lead-times, and
- Wastes both contractor and Government resources.

[§15.402]

Hence, the FAR establishes a new order of priority for information to determine price reasonableness. To the extent permitted by FAR §15.403, generally use this order of priority in determining the type of information required:
No further information **from the offeror** if the price is based on adequate price competition "except as provided by 15.403-3(b)".

§15.403-3(b) authorizes contracting officers to request cost realism data from offerors. §15.403-3(b) also authorizes requests for additional information from offerors necessary to determine price reasonableness after seeking the necessary information from sources other than the offeror "to the maximum extent practicable".

UNIT 38 PRICING INFORMATION FROM OFFERORS

1. Price-related information from sources other than offerors (relying first on information available within the Government and second on information obtained from sources other than the offeror).

2. Price-related information from the offeror.

3. Cost information from the offeror which does not meet the definition of cost or pricing data at FAR §15.401.

4. Cost or pricing data. However, if the expected price exceeds the dollar threshold for requiring such data and no exception applies and a waiver is not granted, then you must obtain cost or pricing data.

[§15.402]

This order of preference does NOT create an actionable right for an offeror, in terms of refusing to provide required information. The order of preference establishes a policy that should be followed to make the procurement system more efficient. However, BEFORE obtaining necessary data from sources that are lower in priority than other sources, contracting officers are NOT required to exhaustively research information available from the higher priority sources. For example, if necessary information is available from sources outside the Government, contracting officers can pursue that information directly if comparable information is not readily available either in the contracting activity or any other Government source. More importantly, if no exception applies and the action is over the cost or pricing data threshold, contracting officers MUST (absent a waiver) obtain cost or pricing data from the contractor without regard for information available elsewhere.

Related Knowledge

1. Knowledge of sources of data on market prices, market segmentation, product differentiation, and market measurement and forecasting; skill at forecasting market prices and analyzing the pricing decisions of business entities (from Marketing and Economics).

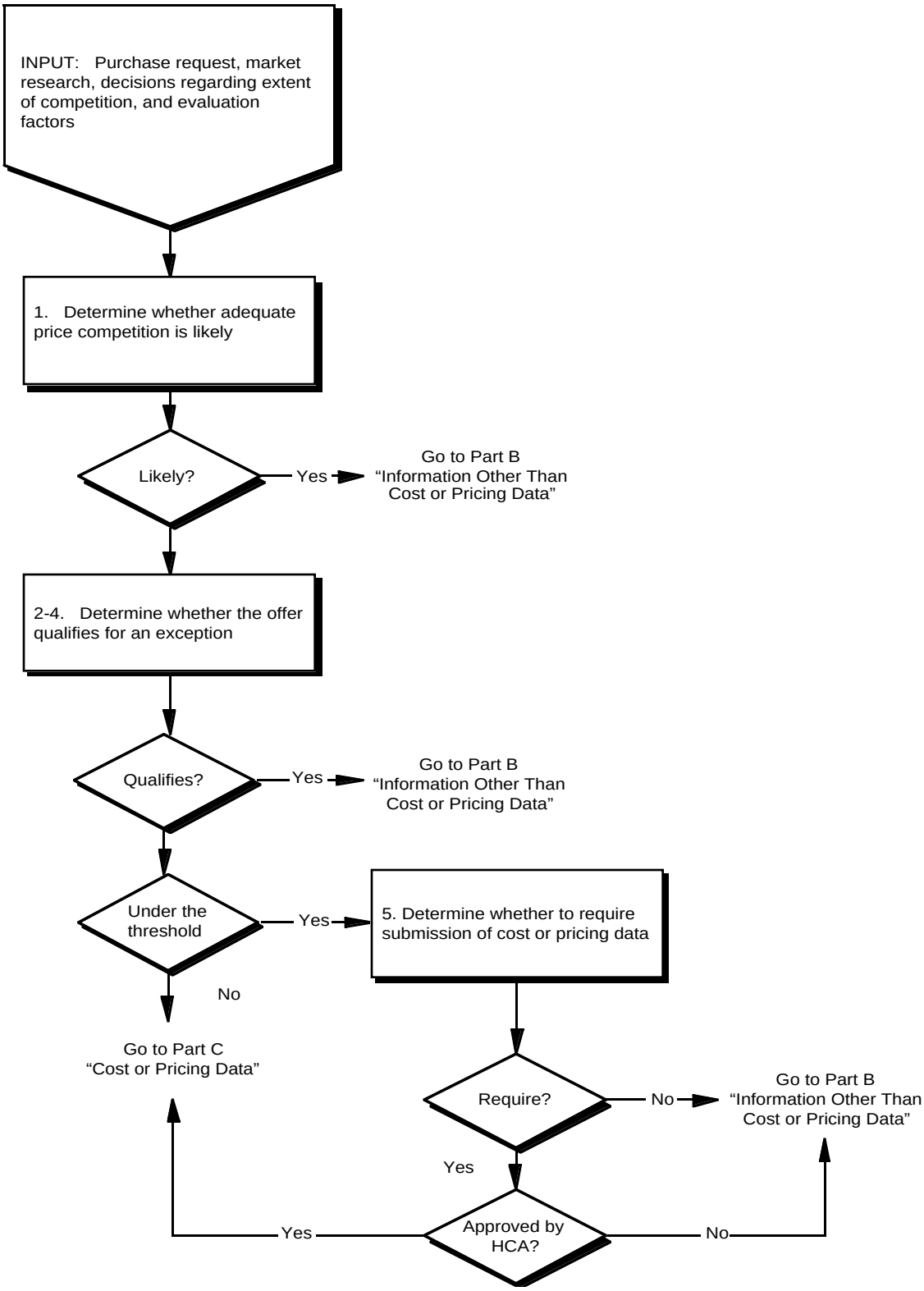
2. Knowledge of the differences between "cost or pricing data" and "information other than cost or pricing data".

Information other than cost or pricing data means any type of information that is not required to be certified, in accordance with 15.406-2, that is necessary to determine price reasonableness or cost realism. This information can include pricing, sales or cost information. Because this information is NOT "cost or pricing data," you may NOT require offerors to submit a certificate of current cost or pricing data. The term also includes data submitted in anticipation of satisfying a requirement for cost or pricing data if, after submission, the contracting officer determines that an exception applies or that the requirement has been waived.

3 Define "cost or pricing data".

UNIT 38 PRICING INFORMATION FROM OFFERORS

Part A: Exceptions to Cost or Pricing Data



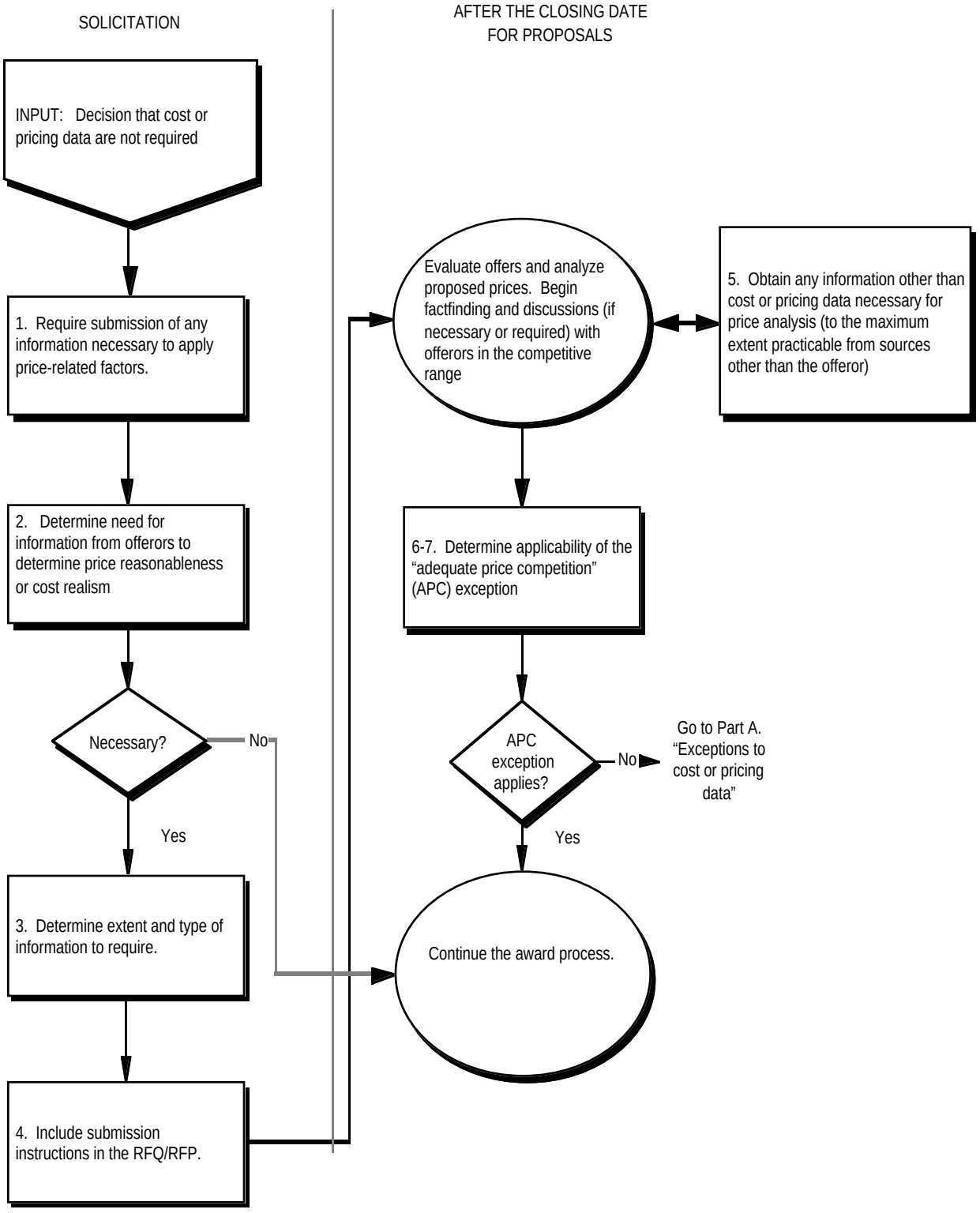
UNIT 38 PRICING INFORMATION FROM OFFERORS

Part A: Exceptions to Cost or Pricing Data

Tasks	Related Standards
1. Determine whether adequate price competition is expected. • You expect independent proposals that will satisfy the Government 's expressed requirement from two or more responsible offerors. • Award will be made to a responsible offeror whose proposal represents— - The best value (see 15.403-1(c)(i)(A)) to the Government and price is a substantial factor in the selection.	1. If you expect "adequate price competition" prior to soliciting, do not require the submission of cost or pricing data with proposals.
2. Determine whether the offerors are excepted from the requirement for cost or pricing data because the Government is acquiring a "commercial" item.	A2. Correctly determine whether the deliverable is properly classified as a "commercial item". Correctly apply the standards in FAR 15.403-1(c)(3) in determining whether the exception applies
3. Determine whether to except an offeror from the requirement for cost or pricing data when prices are set by law or regulation.	A3. Correctly apply the standards in FAR 15.403-1(c)(2).
4. Determine whether to recommend a waiver by the head of the contracting activity.	A4. Only consider waiving the requirement if the price can be determined to be fair and reasonable without submission of cost or pricing data. Correctly implement other provisions of FAR 15.403-1(c)(4).
5. Determine whether to require cost or pricing data for procurements under the current dollar threshold for cost or pricing data.	A5. Accurately apply rules for determining whether the contract action exceeds the dollar threshold. • Negotiated procurements. • Any modification to a contract involving an aggregate price adjustment in excess of the dollar threshold. • Subcontracts exceeding the dollar threshold where the higher tier is required to submit cost or pricing data. • Any modification to a subcontract involving an aggregate price adjustment in excess of the dollar threshold.

UNIT 38 PRICING INFORMATION FROM OFFERORS

Part B: Pricing Information Other Than Cost or Pricing Data



UNIT 38 PRICING INFORMATION FROM OFFERORS

Part B: Pricing Information Other Than Cost or Pricing Data

Tasks	Related Standards
1. In the solicitation, require submission of any information necessary to apply price-related factors stated in the solicitation.	B1. See the Unit on Price-Related Factors.
2. Determine whether offeror information is necessary to determine price reasonableness or cost realism.	
3. Determine the extent and types of information to require from the offeror. Example • Information adequate to validate that the proposed costs are consistent with the technical proposal. • Cost breakdowns to help identify unrealistically low cost proposals.	B3. Correctly identify all information necessary to validate that the proposed costs are consistent with the technical approach. Identify the most significant, probable cost drivers. Develop requirements for cost breakdowns which will obtain only that information necessary to determine whether proposals are realistic given those cost drivers.
4. Include instructions in the solicitation for submitting information other than cost or pricing data. • Draft a description of the specific information to be submitted. • Provide for access to firm's records if necessary. • Determine whether or not to require a common format for data submission or allow each firm to use its own format	

UNIT 38 PRICING INFORMATION FROM OFFERORS

Part B: Pricing Information Other Than Cost or Pricing Data

Tasks	Related Standards
5. Obtain information other than cost or pricing data to: • Determine the need for discussions (if discussions are not required by the award clause). • Establish prenegotiation positions on price. • Determine the realism of proposed prices if appropriate. • Determine that the price of the proposal in line for award is realistic.	B5. Identify all relevant information collected previously from market research and acquisition histories. If additional information is necessary, obtain the information from sources other than the offeror to the maximum extent practicable. Even when you expect "adequate price competition", FAR 15.403-3(b) authorizes requests for additional information from offerors if necessary to support a determination of price reasonableness after, "to the maximum extent practicable", seeking the information from sources other than the offeror. FAR 15.403-2 and 15.403-3 also authorizes requests for offeror information-including information over and above that required by the solicitation. For instance, if the solicitation had not requested cost realism information, you can still require such information after the proposal closing date to resolve apparent mistakes in offers. If discussions are necessary or required by the solicitation, obtain necessary information during factfinding and negotiations (see the Units on Price Analysis, Communications/Factfinding, Negotiation Strategy, and Conducting Negotiations). 15.403-2 and 15.403-3 authorizes requests for offeror information - including information over and above that required by the solicitation.
6. Determine whether the price competition was adequate. • Two or more responsible offerors, competing independently, have submitted priced offers responsive to the Government's expressed requirement. • No finding, supported by a statement of the facts and approved at a level above the contracting officer, that the price of the otherwise successful offeror is unreasonable.	B6. Correctly apply the standards in FAR 15.403-1.

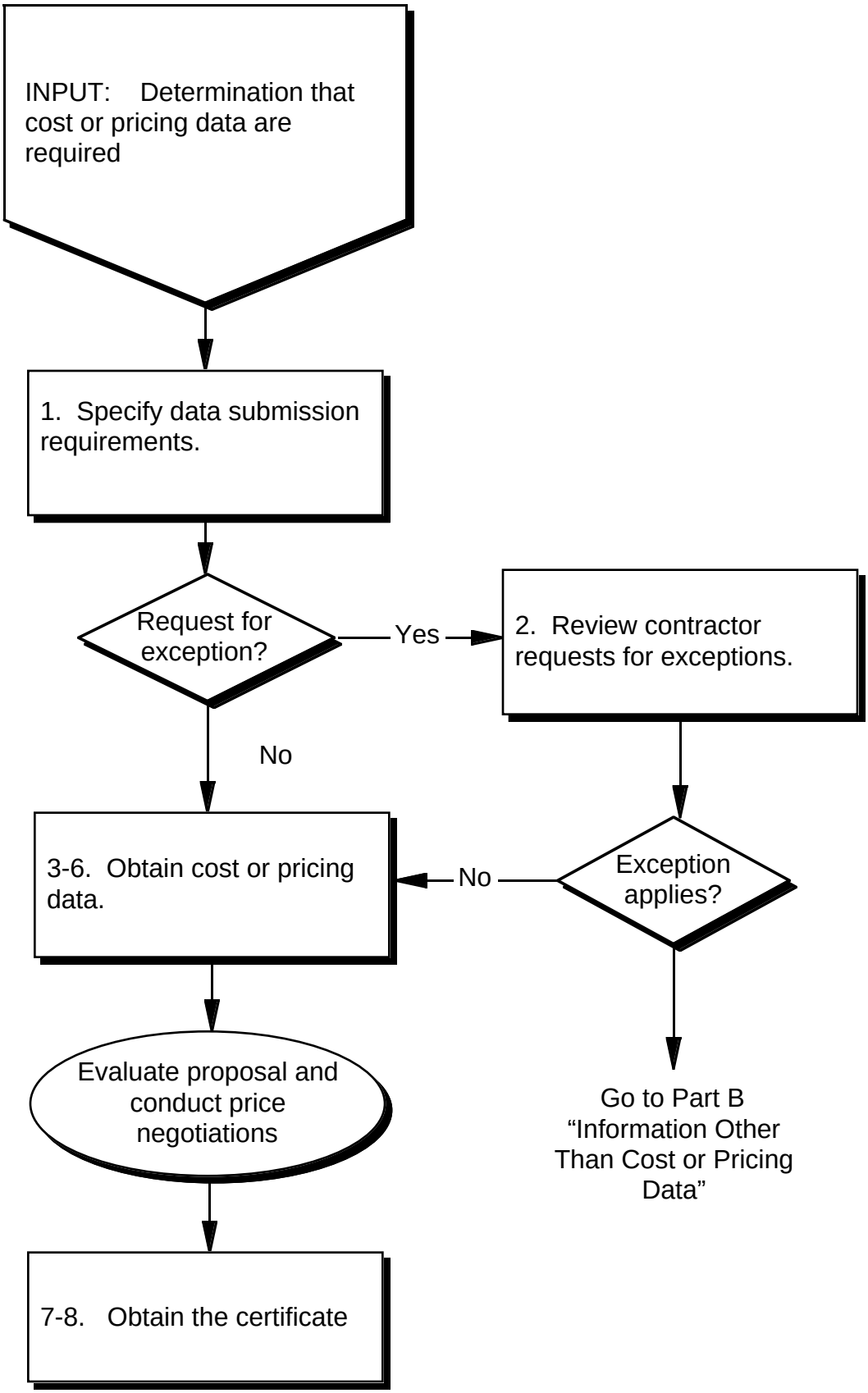
UNIT 38 PRICING INFORMATION FROM OFFERORS

Part B: Pricing Information Other Than Cost or Pricing Data

Tasks	Related Standards
7. If only one offer is received, determine whether the offeror nonetheless qualifies for the "adequate price competition" exception. The exception applies under either of the following circumstances. • The offered price is "based on" previous adequate price competition (see Part B) • You can reasonably conclude that the offer was submitted with the expectation of competition, e.g.,— - The offeror believed that at least one other offeror was capable of submitting a meaningful, responsive offer. - The offeror had no reason to believe that other potential offerors did not intend to submit an offer.	B7. Correctly apply the standards in FAR 15.403-1. If the contracting officer determines that the only offer received had been submitted with the expectation of competition, the determination must be approved at a level above the contracting officer that the proposed price is based on adequate price competition and is reasonable.

UNIT 38 PRICING INFORMATION FROM OFFERORS

Part C: Cost or Pricing Data



UNIT 38 PRICING INFORMATION FROM OFFERORS

Part C: Cost or Pricing Data

Tasks	Related Standards
1. Specify data submission requirements.	C1. Correctly apply FAR 15.408.
2. Review contractor requests for an exception.	
3. Obtain cost or pricing data from the contractor.	C3. If the contractor has requested an exception from the requirement for such data, promptly notify the contractor of your determination that no exception applies.
4. Determine if cost or pricing data from a prospective subcontractor must be submitted to the Government.	C4. Correctly identify all prospective sub-contracts for which cost or pricing data must be submitted to the Government. Such data are required to support each subcontract cost estimate that is: • $10,000,000 or more, or • More than the cost or pricing data threshold and also more than 10% of the prime contractor's proposed price, or • Necessary for adequately pricing the prime contract.
5. If offeror refuses to provide or certify cost or pricing data, withhold award or price adjustment and refer contract action to higher authority.	

UNIT 38 PRICING INFORMATION FROM OFFERORS

Part C: Cost or Pricing Data

Tasks	Related Standards
6. Identify any data which are inaccurate, incomplete, or noncurrent and take appropriate action. Subtasks: • Request that auditors verify cost information (if any) provided by the contractor (see Unit 39). • Double-check the information during price and/or cost analysis (see Units 37 and 40). • Question suspect information data during discussions (see Units 43-46). • Require corrected information data or make allowance for incorrect information.	C6. Cost or pricing data, as submitted, must satisfy the instructions and format of Table 15-2 and/or other solicitation instructions.
7. Determine the “as of” date for certification.	C7 Use either (a) the date when price negotiations were concluded and price agreement was reached , or; (b) an earlier date agreed upon that is as close as practicable to the agreement on price. When negotiating an earlier date establish a reasonable allowance for the time required by corporate personnel (e.g., corporate buyers) to recognize and transmit relevant data to corporate negotiators, assuming reasonable efficiency and competence.
8. Obtain from offeror (including proposed sub-contractor, if appropriate) a properly executed "Certificate of Current Cost or Pricing Data."	C8. The certificate must conform to FAR 15.406-2.

UNIT 39 AUDITS

September 1998

Duty	Obtain audit support.
Conditions	Given the requirement, a copy of the proposal (when available), market research findings, acquisition histories, and the RFP (when available).
Overall Standard(s)	Request audit input (when necessary) to support cost or price analysis. Obtain sufficient information to develop negotiation objectives.

UNIT 39 AUDITS

Policies

FAR	*Agency Suppl.*	*Subject*
15.403-5		Instructions for submission of pricing information -- requirements for preaward or postaward access to records.
15.404-2		Field pricing & audit support.
15.405(a)		Requirement to adopt audit recommendations or explain why not.
15.406-1(a)		Requirement to consider audit input.
15.406-3		Requirements for documenting audit use and providing feedback to the auditor.
42.1		Contract audit services.
52.214-26		Audit—sealed bidding.
15.215-2		Audit—negotiation.

Other KSA's

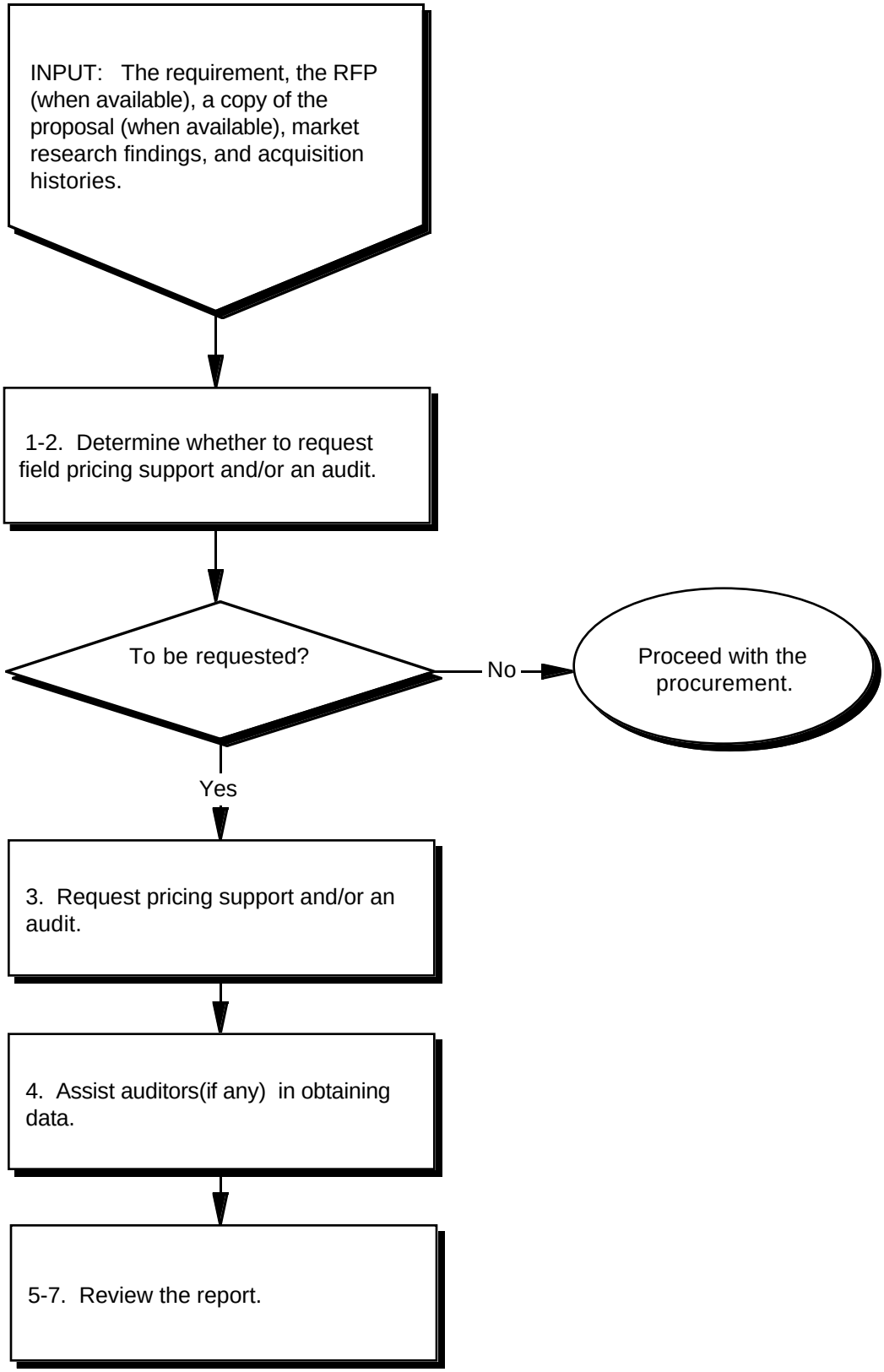
1. Knowledge of when to request a Government audit of subcontractors for such reasons as the following:
   - Business relationship between prime and subcontractor is not conducive to independence and objectivity,
   - Prime is sole source and subcontractor's portion of cost is substantial,
   - Prime has been denied access to subcontractor's books, or
   - Contracting officer determines need because of size, etc.

2. Knowledge of what, at minimum to, must be included in audit reports:
   - Findings on specific areas listed in the contracting officer's request.
   - Offeror's basis and method used for preparing the proposal.
   - Inventory of all submissions of cost or pricing data.
   - Significant cost/pricing data not submitted but known to the auditor.
   - Cost/pricing data which are not accurate, complete, and current; unsupported cost representations.
   - Quantification of dollar effect of technical analysis findings.
   - Assessment of offeror's estimating and accounting systems.
   - Extent to which auditor has discussed discrepancies or mistakes of fact in the proposal with the offeror.

3. Knowledge of accounting terms and concepts typically encountered in audit reports.

Other Policies and References (Annotate As Necessary):

AUDITS


INPUT: The requirement, the RFP (when available), a copy of the proposal (when available), market research findings, and acquisition histories.
1-2. Determine whether to request field pricing support and/or an audit.
To be requested?
No
Proceed with the procurement.
Yes
3. Request pricing support and/or an audit.
4. Assist auditors(if any) in obtaining data.
5-7. Review the report.

UNIT 39 AUDITS

Tasks	Related Standards
1. Determine whether to request field pricing support (which may include an audit review by the cognizant contract audit activity).	1. Request field pricing support: • When required by agency policy, or • When prices cannot otherwise be reasonably analyzed.
2. Determine whether to directly request an audit by a cognizant audit office. Do so when: • Field pricing support is not available or is exempted, and • Additional information is necessary to determine reasonableness of proposed costs or prices (for Unit 40) or to review a request for exception from need to submit cost or pricing data.	2. Only request audits when: • The information available at the buying activity is inadequate to determine a fair and reasonable price, or • An audit is otherwise necessary.
3. Request the audit. Include in the request: • Extent of support needed. • Specific areas for which input is required. • Information needed to perform review. • Deadline for receipt of report. • Need to audit costs proposed by a prospective subcontractor.	3. Given data on hand from market research and acquisition histories for analyzing costs, only request the minimum essential information necessary to ensure a fair and reasonable price.
4. Assist auditors in obtaining access to the necessary data.	4. Take immediate action upon written notification from an auditor (a) of deficiencies in the offeror's provided data or (b) that data has been denied to the auditor.
5. Review the field pricing and/or audit report and develop follow-up questions. • Extract relevant facts. • Identify missing or insufficiently documented findings of fact. • Identify any fallacies (quantitative or logical) in the auditor's report • Identify inconsistencies between audit findings and other available data (e.g., from proposal or market research).	5. Audit as submitted should conform to FAR 15.404-2.

Tasks	Related Standards
6. Contact the field pricing office and/or auditors. • To resolve any questions with the report. • To submit any new information to the price analyst and/or auditor for review and possible issuance of supplemental oral or written report. • To invite the auditor and/or price analyst to be on negotiation team (see Unit 45)	6. Obtain all facts necessary to establish negotiation objectives: • All numbers and totals are correct. • All areas of concern are investigated. • Questions cover all missing data that are necessary to prepare negotiation objectives.
7. Document rationale for exceptions to audit findings and recommendations.	

UNIT 39 AUDITS

Tasks	Related Standards

UNIT 40 COST ANALYSIS

September 1998

Duty

Develop prenegotiation positions (minimum, maximum, and target) on each element of cost, the overall total cost of the work to be performed, and profit. Also develop prenegotiation positions on:

- The limitation of costs ("ceiling price" for Time and Materials/Labor Hour contracts) for cost reimbursable contracts.
- The price ceiling and incentive formula (fixed price incentive firm target contracts).
- The ceiling price (retroactive redetermination contracts).
- The minimum fee (i.e., base amount), maximum fee (i.e., award amount) and formula for adjusting fee (cost reimbursable incentive and award fee contracts).

Conditions

Given the requirement, market research findings, RFP (when available), acquisition histories, a proposal (when available), an audit report (when available), a technical evaluation, and the Independent Government Estimate.

Overall Standard(s)

All available, relevant data are considered and positions on each major element of cost are validly derived from the data and are reasonable. Ensure that the unit prices of supplies are in proportion to the item's base cost per FAR 15.404-1(f).

UNIT 40 COST ANALYSIS

Policies

FAR	*Agency Suppl.*	*Subject*
3.5		Buy in pricing.
15.305(a)(1)		Role of price and cost analysis in evaluating the reasonableness and realism of proposals.
15.407-2		Make or buy analysis.
15.401		Definitions.
15.404-1(a)		Objective of cost analysis and required use of cost analysis.
15.405		Negotiation goals.
15.404-1(c)		Cost analysis.
15.404-1(d)		Cost realism analysis.
15.404-3		Subcontract pricing considerations.
15.406-1		Prenegotiation objectives.
15.407-3		Forward pricing rate agreements.
15.407-4		Should cost analysis.
15.407-5		Relationship between estimating system and depth of proposal analysis.
15.404-1(f)		Unit prices—integrity thereof.
15.404-4		Profit.
22.101-2(a)		Contractor labor policies and compensation practices not necessarily reasonable when analyzing proposed costs.
22.103-3(b)		Negotiating prices not predicated upon overtime or shift premiums.
22.1101		Requirement to analyze professional labor costs in contracts over $500,000.
22.1103		Unrealistically low professional employee compensation as an adverse factor in making award.
27.204		Evaluation of anticipated royalty costs.
29		Taxes.
30.4		Cost accounting standards.
31		Contract cost principles and procedures.
35.008(e)		Cost or price analysis as a basis for evaluating an offeror's understanding of the project, perception of risks, and ability to organize and perform the work.
37.115		Uncompensated overtime.[1]
42.704		Billing rates.
46.707		Pricing warranties.
47.104-3		Applicability of section 10721 rates to contractor shipments.
52.215-14		Unit pricing.
52.215-16 and 215-17		Facilities cost of capital as an allowable cost.
52.222-45 and 222-46		Evaluation of compensation for professional employees.
52.227-6 thru 227-8		Royalty data.
52.229-1 thru 229-10		Taxes.
52.237-10		Identification of uncompensated overtime. [2]
App B		Cost accounting standards

[1] FAC 97-01.
[2] FAC 97-01.

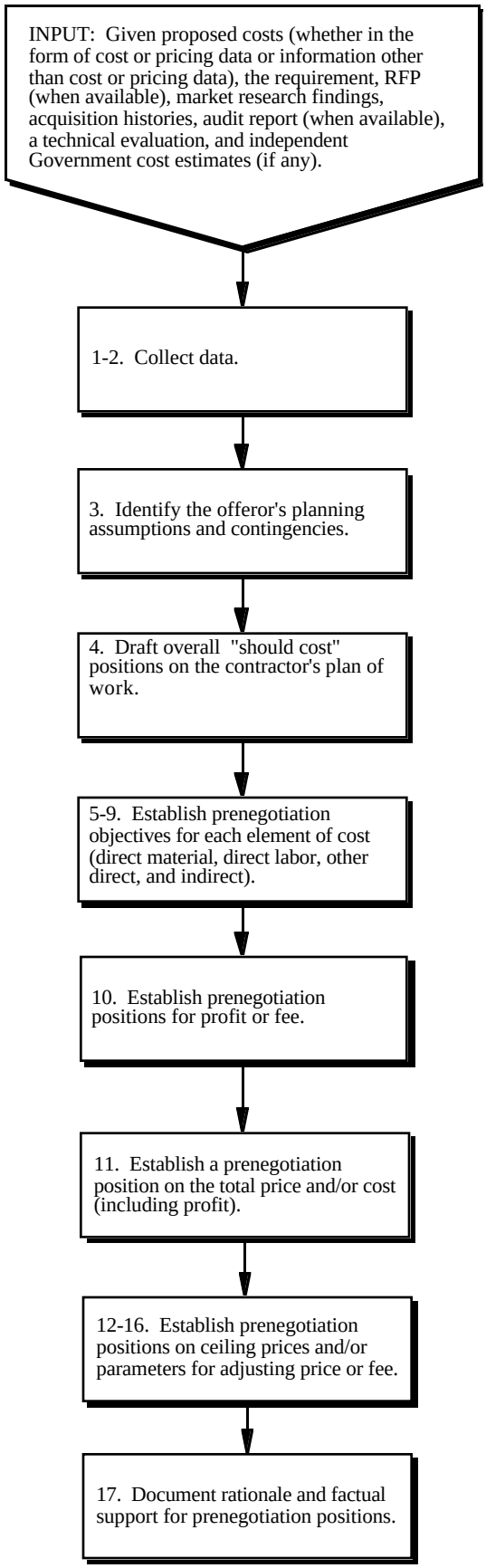
UNIT 40 COST ANALYSIS

Other KSA's

1. Knowledge of quantitative techniques (e.g., sampling, index numbers, improvement curves, moving averages, multiple regression, etc.) for estimating costs.

2. Knowledge of:
   - The different cost elements and their relationship and contribution to bottom line prices.
   - Different methods for establishing indirect (overhead and G&A) rates.
   - Structured (e.g., weighted guidelines) methods to determine profit objective.
   - Basic principles and theory of accounting and cost accounting, including GAAP.

Other Policies and References (Annotate As Necessary):


INPUT: Given proposed costs (whether in the form of cost or pricing data or information other than cost or pricing data), the requirement, RFP (when available), market research findings, acquisition histories, audit report (when available), a technical evaluation, and independent Government cost estimates (if any).
1-2. Collect data.
3. Identify the offeror's planning assumptions and contingencies.
4. Draft overall "should cost" positions on the contractor's plan of work.
5-9. Establish prenegotiation objectives for each element of cost (direct material, direct labor, other direct, and indirect).
10. Establish prenegotiation positions for profit or fee.
11. Establish a prenegotiation position on the total price and/or cost (including profit).
12-16. Establish prenegotiation positions on ceiling prices and/or parameters for adjusting price or fee.
17. Document rationale and factual support for prenegotiation positions.

UNIT 40 COST ANALYSIS

Tasks	Related Standards
1. Collect and review available reports, analyses, and other data. (e.g., audit reports, technical evaluations, independent Government estimates-).	1. Identify and collect all relevant data bearing on each major element of cost, such as: • Historical data (including actual costs, if any, previously incurred by the same contractor). • Data from previous estimates from the offeror or other offerors for the same or similar items. • Data provided by technical evaluators. • Forecasts or planned expenditures.
2. Verify that contractor proposals are based on adequate estimating systems.	
3. Identify "contingencies" and other planning assumptions that are factored into the contractor's cost estimates. For example, did the contractor "pad" the estimates for: • Potential problems in retooling a production line to meet new Government requirements? • Potential technical problems in writing and testing new software? • Potential strikes? • Potential shortages of labor or materials? • Inflation?	
4. Draft "should cost" positions on the contractor's plans for performing the work, such as on the contractor's proposals for: • Tasks and subtasks. • Methods. • Facilities. • Equipment. • Hardware and software. • Management and operating systems. • Make-or-buy.	4. Focus on significant cost drivers. Identify inefficient or uneconomical past practices in performing like work; do not accept such practices as a basis for estimating the costs of future performance. Use the "should cost" positions in establishing prenegotiation objectives for each element of cost.

Tasks	Related Standards
5. Establish objectives for direct material costs. Base objectives on assessment of: • Need and quantity (reasonable in comparison to specifications; no goldplating). • Scrap allowance. • Unit prices, by comparison to previous and market prices as adjusted (See Unit 37 for pricing techniques). • The contractor's support for proposed costs (traceable to and documented with bills of material, vendor's quotes, and/or proposed subcontracts). • Impact of use or non-use of competition by contractor in buying supplies or services. • Whether proposed costs are predicated on Government furnished property (if so, adjust proposed cost). • Whether it should be charged as an indirect cost rather than as a direct materials cost.	5 through 9: For each element of cost: • Correctly apply all factors for determining allowability: - Reasonableness. - Allocability. - Limitations set forth in FAR Part 31. - CAS standards (see FAR Part 30), if applicable, or generally accepted accounting practices. - Terms and conditions of the proposed or existing contract. • Correctly select and apply techniques for determining the reasonableness of the need, amount, and unit price(s). • Determine the reasonableness of allowances in the contractor's estimates for "contingencies" and other planning assumptions. • Support each objective by a written analysis, and each such objective should represent the most defensible negotiation position. • Identify any additional cost or pricing data necessary to make the contractor's proposal accurate, complete, and current (to be obtained through the procedures in Units 38 and 43). Make satisfactory allowance for incomplete data.
6. Establish objectives for each category of direct labor cost. Base objectives on assessment of: • Need (i.e., question classification and skill mixes). • Total labor hours (i.e., reasonable in comparison to work requirements). • Reasonable amount for contingencies. • Rate of escalation for outyears. • Whether the labor cost should be charged as indirect cost rather than direct labor cost. • Hourly labor rates, based on comparability to those for similar work in the competing labor market and/or conformance to regulated or previously negotiated rates. (See Unit 37).	6. In pricing labor hours, do not accept contractor labor policies and compensation practices, whether or not included in labor-management agreements, if they would result in unreasonable costs (FAR 22.101-2). Identify the extent (if any) to which contractor cost estimates are based upon payment of overtime and shift premiums and exclude such premiums in establishing cost objectives (FAR 22.103-3). When professional or technical services are acquired on the basis of hours to be provided rather than tasks performed, require the offeror in the solicitation to identify uncompensated overtime hours and the uncompensated overtime rate for direct charge FLSA-exempt personnel included in their proposals and subcontract proposals. This includes uncompensated overtime hours that are in direct cost pools for personnel whose regular hours are normally charged direct.[3]

[3] FAC 97-01.

Tasks	Related Standards
7. Establish objectives for other direct costs. Base objectives on assessment of: • Allowability in accordance with FAR 31.205, Selected Costs. • The propriety of classification as a direct cost and of allocation to the proposed contract. • The need for each item and the amount, if any, needed. • Price (by applying the correct price analysis techniques).	
8. Establish indirect cost objectives (including material overhead and G&A). Base objectives on assessment of: • Allowability in accordance with FAR Part 31. • The propriety of classification as an indirect cost and allocation to the proposed contract. • The level of cost (need, amount, and price) for each overhead/G&A category, in terms of what would be incurred by prudent business managers in the ordinary course of doing business. • Base for allocation (e.g., direct labor). • Calculation of the indirect rate. For cost reimbursement type contracts, use a billing or provisional rate (i.e., a rate to be used until a final rate can be established from actual cost experience and audit) or establish a ceiling.	8. Identify and use any applicable Forward Pricing Rate Agreements (FPRAs) (FAR 15.407-3) as the basis for pricing contracts to be performed during the period covered by . Alternatively, identify and apply any Forward Pricing Rate Recommendations (FPRRs) (FAR 42.1701(d)) established by an ACO.
9. Establish objectives for the facilities capital cost of money in proposals for contracts with commercial organizations that are subject to the cost principles.	9. If the offeror identified or proposed this element of cost in its proposal pursuant to FAR 52.215-16, exclude this cost when applying profit or fee factors in Task 10. If the offeror failed to identify or propose this element of cost, facilities capital cost of money is not an allowable cost under the resulting contract per FAR 52.215-17. Instead, the only money under the contract available to pay for the facilities capital cost of money would be the fee or profit.

Tasks	Related Standards
10. Establish objectives for profit or fee. • Through a "structured" (e.g., weighted guidelines) assessment • Otherwise.	10. Comply with FAR 15.404-4 in establishing profit or fee objectives. Correctly apply the structured approach prescribed by FAR 15.404-4(b) and relevant agency FAR supplements, where required. Where prescribed structured approaches do not apply, correctly apply the factors in FAR 15.404-4(c)(4)(i). Fee objectives may not exceed statutory limitations in 15.404 (e.g.: • 15% for R&D cost plus fixed fee. • 10% for non-R&D cost plus fixed fee. • 6% of estimated construction cost for A&E.)
11. Perform overall price analysis to determine total cost/price negotiation objective (minimum, maximum and target) for each line item.	11. Unit prices for line items of supplies must be in proportion to the item's base cost (e.g., manufacturing or acquisition costs)—unless the price is, or is based on, an established catalog or market price of a commercial item sold in substantial quantities to the general public per FAR 15.404-1(f).
12. For cost reimbursable contracts, establish a position on the limitation of costs ("ceiling price" for Time and Materials or Labor Hour contracts).	
13. For fixed price incentive (firm target) contracts, establish negotiation objectives for the price ceiling and incentive formula.	13. The share ratio should be commensurate with the level of risk, urgency of the requirement, and dollar value. Include the estimated cost of any warranty in establishing the incentive target price and ceiling price of the contract per FAR 46.707.
14. For retroactive redetermination contracts, establish negotiation objectives for the ceiling price.	

Tasks	Related Standards
15. For cost reimbursable incentive contracts, develop negotiation objectives for the minimum fee, maximum fee, and formula for adjusting fee.	15. The share ratio should be commensurate with the level of risk, urgency of the requirement, and dollar value.
16. For cost plus award fee contracts, develop negotiation objectives for base fee and award amount.	
17. Document rationale and factual support for price negotiation objectives.	17. Address (1) the pertinent issues to be negotiated, (2) the cost objectives, and (3) a profit or fee objective.

UNIT 40 COST ANALYSIS

Tasks	Related Standards

UNIT 41 EVALUATING OTHER TERMS AND CONDITIONS

September 1998

Duty	Develop prenegotiation positions on terms and conditions other than price.
Conditions	Given the purchase request, market data, acquisition histories, the technical evaluation memorandum, and findings of the price or cost analysis.
Overall Standard(s)	Develop positions that address every significant variance between the terms and conditions in the solicitation vis-a-vis the proposal. Identify the potential impact on price of each such variance. Identify potential trade-offs between the proposed price, other business terms and conditions, and the technical proposal.

UNIT 41 EVALUATING OTHER TERMS AND CONDITIONS

Policies

FAR	*Agency Suppl.*	*Subject*
15.405(b)		Relationship between the negotiation of a contract type and the negotiation of the price.
15.406-1		Prenengotiation objectives.

Other KSA's

Reserved.

Other Policies and References (Annotate As Necessary):

UNIT 41 EVALUATING OTHER TERMS AND CONDITIONS

Tasks	Related Standards
1. Develop a prenegotiation position on the contract type.	1. Develop such a position when: • The offeror has proposed a different type than solicited, or • Changing the contract type would probably yield a more optimal final proposal revision, given the findings of the price or cost analysis. The goal is to negotiate a contract of a type and at a price that would provide a contractor with the the greatest incentive for efficient and economical performance. The negotiation of a contract type and price are related and should be considered together with the issues of risk and uncertainty to the contractor and the Government.
2. Compare offers to lease against offers to purchase per Unit 13 (Lease Vs. Purchase), Part B (Evaluating Offers).	2. Perform such a comparison when: • The CO has solicited both types of offers, or • An offeror has proposed a different type of buying arrangement than solicited.
3. Evaluate offers predicated upon Government financing per Unit 20 (Contract Financing), Part B (Offers Contingent Upon Financing).	3. Perform such an evaluation when an offeror has proposed a different financing method and/or different terms than solicited.
4. Evaluate offers predicated upon Government furnished property (GFP), per Unit 7 (Use of Government Property and Supply Sources), Part A (evaluating an offeror's request for GFP).	4. Perform such an evaluation when: • The CO solicited offers based on GFP for comparison with offers based on contractor furnished property, or • An offeror has proposed different terms and conditions with respect to GFP than solicited.
5. Develop prenegotiation positions on other terms and conditions. Such terms and conditions might, among others, include: • The requirements documents. • Quality assurance requirements. • Time, place, and method of delivery or performance. • Bonding and/or insurance requirements. • Patents and/or rights in data. • Warranty requirements.	5. Develop these positions when: • The offeror has proposed different terms and conditions than solicited, or • Changing (or adding to) the terms and conditions would probably result in a more optimal final proposal revision (taking into account all goals of the acquisition—price, quality, timeliness, minimization of risk, socioeconomic requirements, etc.).

UNIT 41 EVALUATING OTHER TERMS AND CONDITIONS

Tasks **Related Standards**

UNIT 42 AWARD WITHOUT DISCUSSIONS

September 1998

Duties	1. Determine whether to award without discussions 2. Award without discussions.
Conditions	Given proposals, technical evaluation reports, the RFP and results of a cost or price analysis.
Overall Standard(s)	Correctly determine if discussions are necessary to obtain best value.

UNIT 42 AWARD WITHOUT DISCUSSIONS

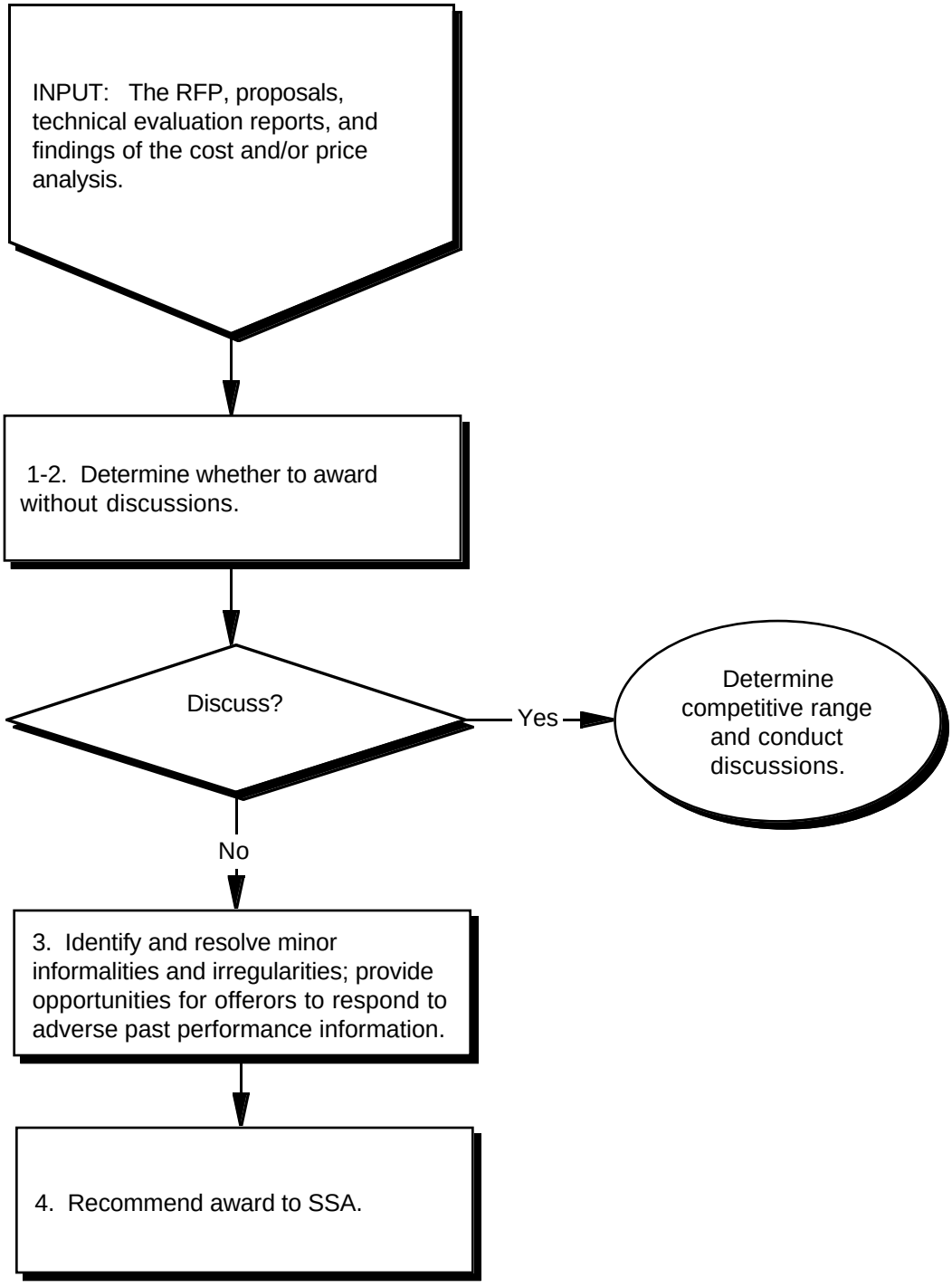
Policies

FAR	*Agency Suppl.*	*Subject*
15.306(a)		Clarifications and award without discussions.
52.215-1		Instructions to offerors – competitive acquisition.

Other KSA's

Other Policies and References (Annotate As Necessary):

UNIT 42 AWARD WITHOUT DISCUSSIONS



UNIT 42 AWARD WITHOUT DISCUSSIONS

Tasks	Related Standards
1 Determine whether the RFP permits award without discussions.	1. Discussions are required if the provision at 52.215-1 includes Alternate I.
2. Determine whether to award without discussions.	2. FAR 52.215-1 presumes award will be made without discussions. Correctly determine if discussions are necessary to obtain best value[1]. Among potential reasons for discussions: • No proposal is technically acceptable. • All prices appear to be unreasonably high or unrealistically low, compared with prior prices or current market prices for like deliverables. • The lowest offered price appears to be unrealistic (e.g., the product of a potential cost estimating mistake) when compared with the Government estimate. • The requirement — as interpreted by offerors — is not clearly understood.
3. Where necessary, obtain any additional clarification and provide opportunities for offerors to respond to adverse past performance information	3. If award will be made without conducting discussions, offerors may be given the opportunity to clarify certain aspects of proposals (e.g., the relevance of an offeror's past performance information and adverse past performance information to which the offeror has not previously had an opportunity to respond), or to resolve minor or clerical errors. If adverse past performance information, to which an offeror has not had a prior opportunity to respond, is the determining factor preventing that offeror from receiving an award, allow the offeror to respond to the information.
4. Recommend award to the SSA.	

[1] With due consideration of the administrative costs to the Government of conducting discussions — don't spend thousands of dollars in salary and other costs of Government evaluators and negotiators to save a nickel.

UNIT 43 COMMUNICATIONS/ FACTFINDING

September 1998

Duty	1. Prior to the competitive range determination (CRD), determine whether communications are necessary and conduct communications with affected offeror(s) 2. After the CRD, prepare an agenda, notify the offeror, and conduct factfinding sessions to determine the need for: • Issuing an amendment to the RFP. • Revising pre-negotiation objectives. • Excluding the proposal from further consideration.
Conditions	Given proposals, technical evaluation reports, the RFP and results of a cost or price analysis.
Overall Standard(s)	Identify and request all information available from the offeror that is necessary to complete analysis of the proposal. Allow no revisions to the proposal as a result of pre-CRD communications. Allow no bargaining during factfinding sessions. Identify the correct follow-up action.

UNIT 43 COMMUNICATIONS/FACTFINDING

Policies

FAR	*Agency Suppl.*	*Subject*
15.306(b)		Communications with offerors before establishment of the competitive range.
15.406-1(a)		Factfinding as a basis for determining prenegotiation objectives.

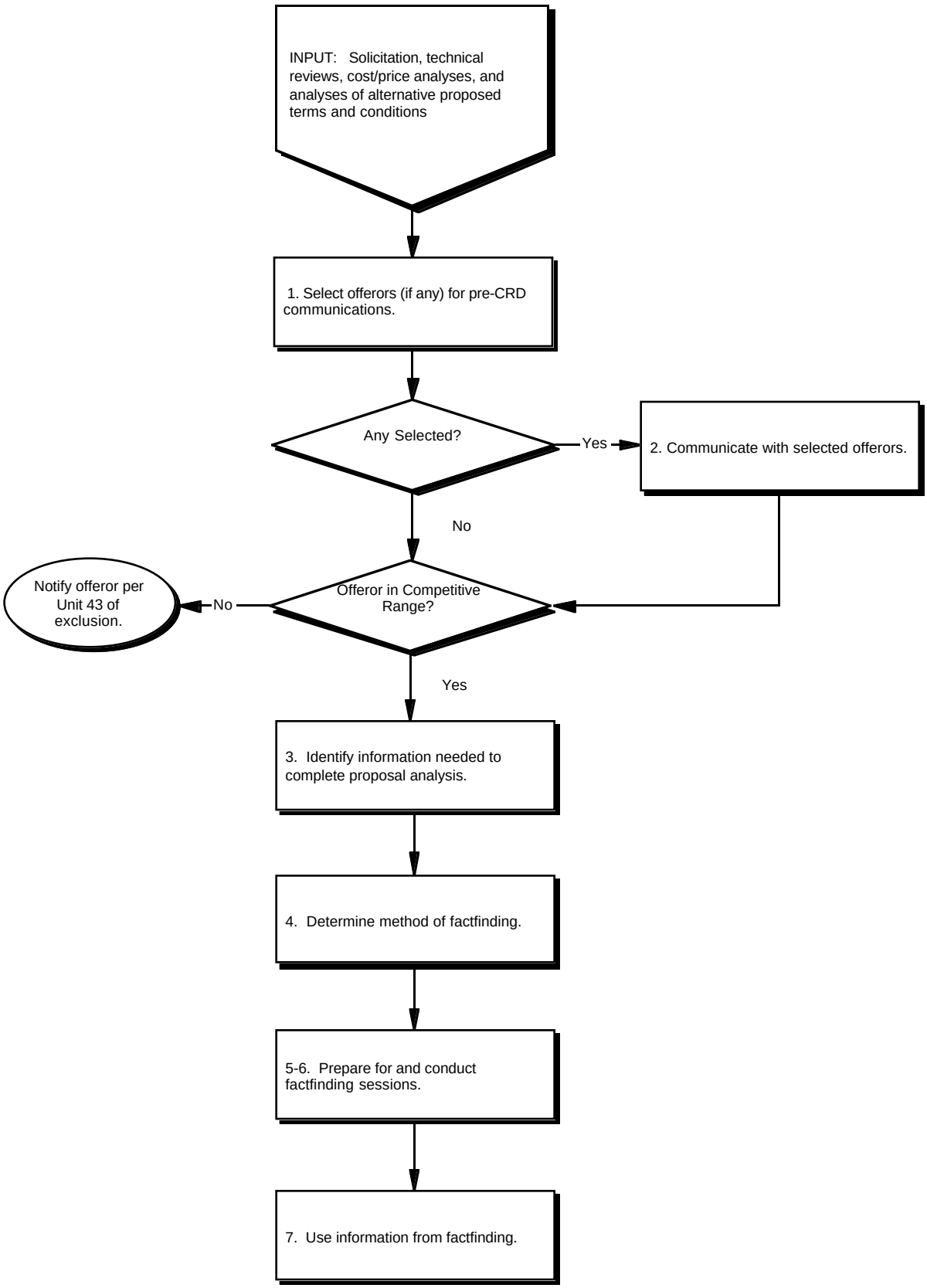
Other KSA's

1. Knowledge of communications/factfinding pitfalls and their impact on future negotiations.

2. Skill in preparing for and conducting meetings.

Other Policies and References (Annotate As Necessary):

UNIT 43 COMMUNICATIONS/FACTFINDING



UNIT 43 COMMUNICATIONS/FACTFINDING

Tasks	Related Standards
1. Select offerors (if any) for pre-CRD communications.	1. Identify offerors who are neither clearly in nor clearly out of the competitive range and offerors who would be in the competitive range but for adverse past performance information to which the offeror has not had a previous opportunity to respond.
2. Conduct communications with selected offerors. • For each proposal from selected offerors, identify the issues that must be explored to determine whether the proposal should be placed in the CR. • Schedule and conduct communications sessions per tasks 4-6. • Apply findings from communications in making the CRD (per Unit 44). • Document the communications as necessary to support the CRD and debriefing process.	2. Address issues that must be explored to determine whether to place the proposal in the CR. During the communications, you seek all information of potential value for enhancing understanding of the proposal; allow reasonable interpretation of the proposal; and otherwise facilitating the Government's evaluation process. Such communications shall not be used to cure proposal deficiencies or material omissions, materially alter the technical or cost elements of the proposal, and/or otherwise revise the proposal. Ensure that the offeror understands that these communications do NOT represent an opportunity to revise its proposal. During these communications, you may address: • Ambiguities in the proposal or other concerns (e.g., perceived deficiencies, weaknesses, errors, omissions, or mistakes (see 14.407)); and • Information relating to relevant past performance. You must address adverse past performance information to which the offeror has not previously had an opportunity to comment.

UNIT 43 COMMUNICATIONS/FACTFINDING

Tasks	Related Standards
3. Identify information available from the offeror necessary to complete analysis of the proposal. Seek any facts necessary to complete analysis of the: • Technical proposal--from Unit 36. • Proposed business terms and conditions--from Units 35, 37, 38, 39, 40, and 41.	3. Identify all areas of the proposal that are unclear and require additional facts to prepare for negotiations.
4. Determine method of factfinding. • Phone call. • Letter. • Conference. • Visit to offeror's site.	4. Tailor the method of factfinding to the particulars of each offer.
5. Assemble and prepare participants for each factfinding meeting with representatives of the offeror or contractor. • Define roles. • Develop specific questions on the technical proposal. • Develop specific questions on business terms and conditions.	5. All participants should know their roles and be able to discriminate between bargaining and factfinding. Participants should also be able to correctly describe the limitations on communications and factfinding in a competitive environment. Questions should cover all information needs. Questions should not reveal information that could impair the Government's negotiation strategy.
6. Conduct factfinding session.	
7. Use information obtained during factfinding to: • Amend RFP, if necessary. • Revise negotiation objectives (see Unit 45). • Determine whether to remove the proposal from further consideration. • Document.	7. Analyze information received.

UNIT 43 COMMUNICATIONS/FACTFINDING

Tasks	Related Standards

UNIT 44 EXTENT OF DISCUSSIONS (COMPETITIVE RANGE)

September 1998

Duty	Select offerors/quoters for discussions (i.e., establish the competitive range under FAR Part 15).
Conditions	Given the solicitation, proposals or quotations, technical reports, and cost/price analysis reports.
Overall Standard(s)	When acquiring supplies and services through simplified acquisition procedures, negotiations (if any) are held only with that number of vendors necessary for "maximum practicable competition." When acquiring supplies and services in accordance with FAR 15.306, consideration is given only to "all the most highly rated offers" and is further limited when such limitations would allow the Government to more efficiently realize *Best Value*, as that term is defined in FAR 2.101.

UNIT 44 EXTENT OF DISCUSSIONS (COMPETITIVE RANGE)

Policies

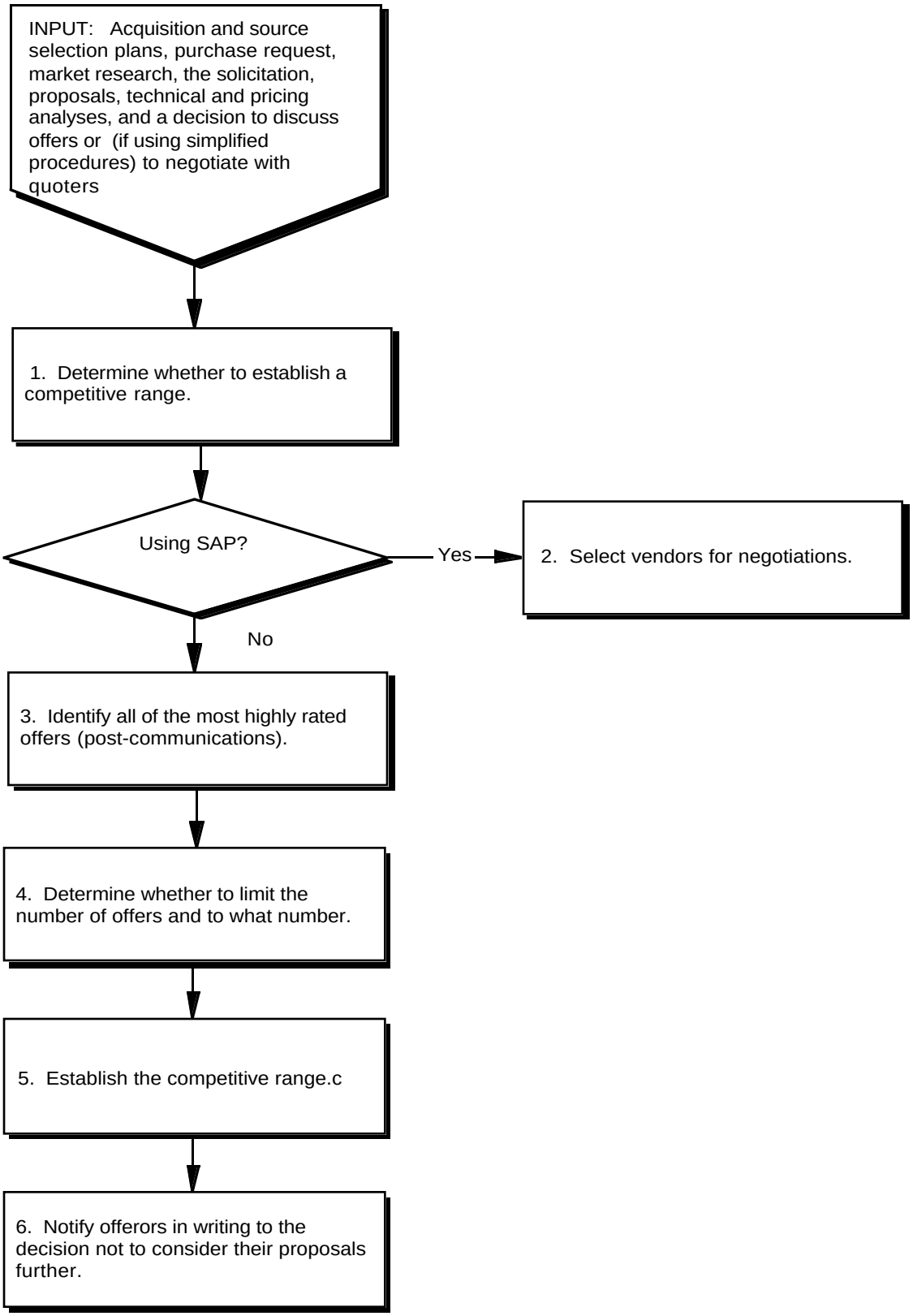
FAR	*Agency Suppl.*	*Subject*
13.106-2		Competitive range determinations and maximum practicable competition in determining the extent of discussions when using simplified acquisition procedures.
15.306(c)		Competitive range.
15.503(a)		Pre-award notifications to unsuccessful offerors.

Other KSA's

1. Knowledge of relevant case law (e.g., Comptroller General decisions).

Other Policies and References (Annotate As Necessary):

UNIT 44 EXTENT OF DISCUSSIONS (COMPETITIVE RANGE)



UNIT 44 EXTENT OF DISCUSSIONS (COMPETITIVE RANGE)

Tasks	Related Standards
1. Determine whether to establish a competitive range.	1. Competitive range determinations are not required when using simplified acquisition procedures (SAP).
2. When using simplified acquisition procedures, select vendors for negotiations.	2. If negotiations are to be held, ordinarily select no more than three vendors (see FAR 13.106-2(a)(4), which suggests that three are sufficient to meet the standard of "maximum practicable competition").
3. Identify all of the most highly rated offers (post-communication). • Post-communications, ask the evaluation team to make any necessary adjustments to initial ratings. • Identify the break between the most highly rated offers and other offers.	3. Based on the ratings of each proposal against all evaluation factors and significant subfactors, establish a competitive range comprised of all of the most highly rated proposals, unless the range is further reduced for purposes of efficiency per task 4.
4. Determine whether to limit the number of offerors and to what number. • Verify that the solicitation has notified offerors that the competitive range can be limited for purposes of efficiency. • If such notice was provided, determine whether to limit the competitive range for purposes of efficiency and the number of vendors to be included in the range on that basis.	4. When acquiring supplies or services through FAR Part 15 procedures, consider limiting the competitive range for purposes of efficiency ONLY if the solicitation notified offerors of that possibility. If only a few proposals made the "most highly rated" category, include all in the competitive range. Otherwise, consider limiting the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals (10 U.S.C. 2305(b)(4) and 41 U.S.C. 253b(d)).

UNIT 44 EXTENT OF DISCUSSIONS (COMPETITIVE RANGE)

Tasks	Related Standards
4. (continued)	**A**mong factors to consider in limiting the number of proposals: • Expected dollar value of the award. • Total number of offers in the "most highly rated" listing. • Complexity of the acquisition and the variety and complexity of offered solutions, in terms of impact on the likely breadth and depth of the discussions. • Resources available to conduct discussions vs. the expected variable administrative costs of discussions. • Impact on lead-time for award vs. the need for timely delivery. • The extent to which discussions with additional offerors would be subject to diminishing returns.
5. Establish the competitive range	
6. Notify offerors in writing of the decision not to consider their proposals further.	6. Notice must conform to the requirements of FAR 15.503(a) (i.e., the notice must state the basis for the determination and that a proposal revision will not be considered).

UNIT 44 EXTENT OF DISCUSSIONS (COMPETITIVE RANGE)

Tasks **Related Standards**

UNIT 45 NEGOTIATION -STRATEGY

September 1998

Part A: Planning Sole Source Negotiations

Duty

1. Prepare a prenegotiation strategy.

2. Assemble and prepare the Government negotiation team.

Conditions

Given the solicitation (if any), a proposal or quotation for either a new sole source acquisition or a contract modification, the technical analysis, a completed cost/price analysis (including recommended price-related prenegotiation objectives), and other analyses of the proposals.

Overall Standard(s)

The primary objective is to reach agreement on terms and conditions for the contract that represent best value as that term is defined in FAR 2.201. Therefore, select a strategy and tactics that are best calculated to accomplish this objective.

At the prenegotiation meeting(s) with the Government team, fully discuss the prenegotiation strategy, roles and responsibilities of team members in the discussions, and limits on what each member may say or do during discussions.

Part B: Planning Competitive Discussions

Duty

1. Prepare a strategy for negotiating each offer/quotation.

2. Assemble and prepare the Government negotiation team.

Conditions

Given an RFP or RFQ, the offers/quotations selected for discussions (e.g., the competitive range when acquiring the deliverables under FAR 15.306) and/or negotiations, technical analyses, completed cost/price analyses (including recommended price-related prenegotiation objectives), and other analyses of the proposals.

UNIT 45 NEGOTIATION -STRATEGY

September 1998

Overall Standard(s)

The primary objective is to persuade offerors/quoters to revise their proposals (or accept purchase orders revised by the Government pursuant to negotiations) in ways that will optimize the Government's ability to obtain best value, based on the requirement and the evaluation factors set forth in the solicitation. Therefore, select a strategy and tactics that are best calculated to attain this objective.

Tailor negotiation strategies and plans to the vendor and that vendor's proposal or quotation. For each vendor still being considered for award, prepare to discuss significant weaknesses, deficiencies, and other aspects of its proposal/quotation (such as, cost, price, technical approach, past performance, and terms and conditions) that could be altered or explained to enhance materially the proposal's or vendor's potential for award.

The scope and extent of discussions are a matter of contracting officer judgment. In discussing other aspects of the proposal, you may (in situations where the solicitation stated that evaluation credit would be given for technical solutions exceeding any mandatory minimums) negotiate with offerors for increased performance beyond any mandatory minimums.

You may also suggest to offerors that have exceeded any mandatory minimums (in ways that are not integral to the design), that their proposals/quotations would be more competitive if the excesses were removed and the offered price decreased.

At the prenegotiation meeting(s) with the Government team, fully discuss the prenegotiation strategy, roles and responsibilities of team members in the discussions, and limits on what each member may say or do during discussions (see FAR 15.306(e)).

UNIT 45 NEGOTIATION -STRATEGY

Policies

FAR	*Agency Suppl.*	*Subject*
3.104		Procurement integrity—protecting source selection and proprietary information during discussions.
7.302(d)		Cost Comparisons — may be initiated because commercial prices appear unreasonable
15.207 and 15.306(e)		Restrictions on disclosure of the contents of proposals.
15.306(d)		Discussions.
15.404-1(b)		Price Analysis
15.405		Additional guidance on negotiating against cost and price objectives.

Other KSA's

KNOWLEDGE OF THE DEFINITIONS OF NEGOTIATIONS & DISCUSSIONS

15.306(d) Negotiations are exchanges, in either a competitive or sole source environment, between the Government and offerors, that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract, or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions.

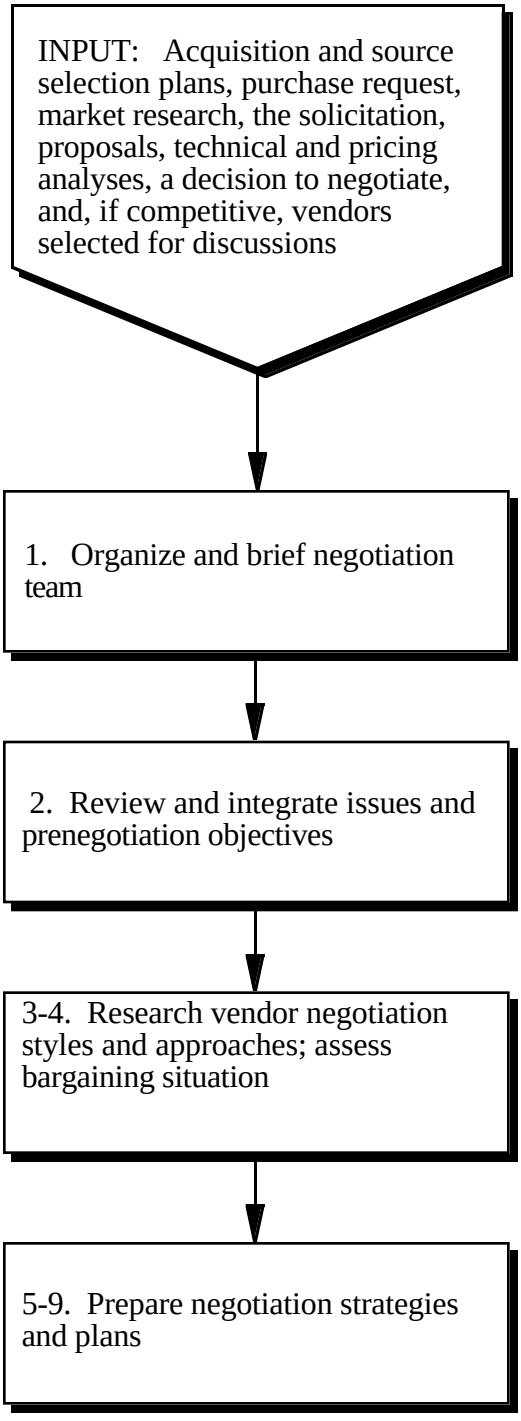
1. Skill in organizing, briefing, and leading a team, including such components as conducting team meetings to:
   - Draft objectives.
   - Develop a strategy and tactics for optimizing benefits to the Government
   - Establish roles and responsibilities.
   - Implement the strategy and make tactical adjustments.
   - Review the results of negotiations.

2. Knowledge of alternative strategies and tactics for conducting negotiation sessions. (See Appendix 1)

3. Knowledge of potential sources of intelligence on contractor negotiation styles and approaches, e.g.:
   - C.O.s, COTR's, and other Government representatives.
   - Trade journals.
   - The proposal.
   - Government analyses of the proposal.
   - Factfinding.

Other Policies and References (Annotate As Necessary):

UNIT 45 NEGOTIATION -STRATEGY



UNIT 45 NEGOTIATION -STRATEGY

Part A: Planning Sole Source Negotiations

Tasks	Related Standards
1. Organize and brief the negotiation team (when a contracting officer or specialist is not the lone negotiator).	1. Brief members of the team, in particular, on the policies at FAR 3.104.
2. Review and integrate issues and prenegotiation objectives from Units 35, 36, 37, 39, 40, 41 and 43 in consultation with team members.	2. All objectives should be fully supportable based on facts and market knowledge.
3. Research the offeror's (contractor's) negotiation style and probable approach. In particular, focus on the offeror's probable: • Goals. • Priorities. • Opening positions • Strategy and tactics. • Representatives. • Pressures and constraints.	3. Contact all of the most likely sources of significant data.
4. Assess bargaining strengths and weaknesses of the two parties. Among the many factors to consider: • Time constraints. • Negotiation skills of each side. • Importance of the contract to each party. • Risks inherent in the contract for each party. • Identify "riders" — non-price issues to satisfy the other party.	4. Analyze information sufficiently to act as equals in negotiations. Identify methods for improving the Government's bargaining position. • Review alternative ways to meet the Government's needs. Examples: - In-house performance (e.g., by initiating a cost comparison per FAR 7.303(d)). - Resorting to another technical solution. - Bringing another offeror on line. - Postponing the need. - "Breaking out" and competing subcomponents. - Purchasing data rights. • Act as equal because cost/ pricing data and/or technical support puts Government on level with contractor (e.g., Truth in Negotiations). • Consider changing the type of contract. • Link this work to other potential, competitive business opportunities.

UNIT 45 NEGOTIATION -STRATEGY

Part A: Planning Sole Source Negotiations

Tasks	Related Standards
5. Establish negotiation priorities and potential tradeoffs or concessions. • Rank issues. • Determine the negotiation range for the Government's position on each issue (i.e., to distinguish positions that are relatively "firm" from "give" positions). • Compare to the offeror's anticipated positions. • Identify potential tradeoffs and concessions. • Determine how each issue should be addressed.	
6. Develop an overall strategy for attaining the prenegotiation objectives. • Opening positions. • Order of presentation of the issues. • Gameplan for exchanging counter offers and concessions. • Tactics (which to employ and when). • Bargaining techniques. • Overall strategy (Win/Win).	6. Select the strategy and tactics that are likely to be most effective in accomplishing the Government's priorities and objectives for the negotiation.
7. Prepare a prenegotiation plan. • Background. • Target objectives. • Major negotiation issues. • Negotiation strategy. • Team members and roles. • Schedule.	7. Do this task in collaboration with negotiation team members and ensure that all members of the team are in synch with the plan. Stress the need to be flexible and receptive to change during negotiations.
8. Brief management on the plan. • Present plan orally. • Obtain agreement on objectives, issues, team members, roles, schedule, and any limits on concessions or commitments to be made by the Government during the negotiations without higher level approval.	8. Obtain firm agreements on prenegotiation objectives, issues, team members, roles assigned the members, and negotiation schedule. Also obtain firm agreement on limits on concessions and commitments..
9. Prepare negotiation agenda. • Schedule. • Topics. • Location(s). • Names and titles of Government and the offeror's (contractor's) team.	9. Where feasible, consult the offeror prior to finalizing the agenda.

UNIT 45 NEGOTIATION STRATEGY

Part B: Planning Competitive Discussions

Tasks	Related Standards
1. Organize and brief the negotiation team (when a contracting officer or specialist is not the lone negotiator).	1. Brief members of the team, in particular, on the policies at FAR 3.104, 15.207, 15.30(d) and (e), and 15.405. Define "procurement official" and distinguish what may be disclosed during discussions and what may not be disclosed
2. Review and integrate issues and prenegotiation objectives from Units 35, 36, 37, 39, 40, 41 and 43 in consultation with team members.	2. All objectives should be fully supportable based on facts and market knowledge. Objectives should be complete in covering all significant weaknesses, deficiencies, and other aspects of its proposal (such as, cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposal's potential for award.
3. Research each offeror's (contractor's) negotiation style and probable approach. In particular, focus on the offeror's probable: • Goals. • Priorities. • Opening positions • Strategy and tactics. • Representatives. • Pressures and constraints.	3. Contact all of the most likely sources of significant data.
4. Separately (i.e., vendor by vendor) assess bargaining strengths and weaknesses of the two parties (i.e., the Government vs. the vendor). Among the many factors to consider: • Number of offerors. • Time constraints. • Negotiation skills of each side. • Importance of the contract to each party. • Risks inherent in the contract for each party. • Identify "riders" — non-price issues to satisfy the other party.	4. Tailor this assessment to the offeror. Analyze information sufficiently to act as equals in negotiations.

UNIT 45 NEGOTIATION STRATEGY

Part B: Planning Competitive Discussions

Tasks	Related Standards
5. Establish negotiation priorities and potential tradeoffs or concessions. • Rank issues. • Determine the negotiation range for the Government's position on each issue (i.e., to distinguish positions that are relatively "firm" from "give" positions). • Compare to the offeror's anticipated positions. • Identify potential tradeoffs. • Determine how each issue should be addressed.	5. "Firm" positions represent language that absolutely has to be in the final proposal.
6. Develop an overall strategy for attaining the prenegotiation objectives. • Opening positions. • Order of presentation of the issues. • Gameplan for tradeoffs and exchanges. • Tactics (which to employ and when). • Bargaining techniques. • Overall strategy (Win/Win).	6. Develop a strategy that recognizes the vendor's relative strengths and weaknesses. Given that assessment, select the strategy and tactics that are likely to be most effective in accomplishing the Government's priorities and objectives for the negotiation.
7. Prepare a prenegotiation plan. • Background. • Target objectives. • Major negotiation issues. • Negotiation strategy. • Team members and roles. • Schedule.	7 Stress the need for a separate planning for each offeror, tailored to that offeror's proposal (i.e., its particular merits) and style. Also stress the need to be flexible and receptive to change during negotiations.
8. Brief management on the plan. • Present plan orally. • Obtain agreement on objectives, issues, team members, roles, schedule, and any limits on concessions or commitments to be made by the Government during the negotiations without higher level approval.	8. Obtain firm agreements on prenegotiation objectives, issues, team members, roles assigned the members, and negotiation schedule.

UNIT 45 NEGOTIATION STRATEGY

Part B: Planning Competitive Discussions

Tasks	Related Standards
9. Prepare a separate negotiation agenda for each vendor. • Schedule. • Topics. • Location(s). • Names and titles of Government and the offeror's (contractor's) team.	9. Where feasible, consult the vendor prior to finalizing the agenda.

UNIT 45 NEGOTIATION STRATEGY

Part B: Planning Competitive Discussions

Tasks **Related Standards**

UNIT 46 CONDUCTING DISCUSSIONS/ NEGOTIATIONS

September 1998

Duty	Conduct a negotiation session and document in the contract file the principal elements of the negotiated agreement. • In a sole source situation. • As part of a competitive procurement. • As part of a post award negotiation (e.g., a contract modification).
Conditions	Given a solicitation, quotation/proposal, analysis report, prenegotiation plan, and the prenegotiation strategy.
Overall Standard(s)	Select and correctly apply tactics to accomplish the Government's negotiation strategy, resulting in: • A final proposal revision or quotation from the apparently successful vendor that accomplishes the Government's highest priority objectives (e.g., award at a fair and reasonable price), or • An agreement with a sole source supplier that accomplishes the Government's highest priority objectives for the negotiation. In competitive negotiations, comply with FAR 15.306(e) limits on communications. Do not give out source selection information, reveal another offeror's technical solution, or otherwise favor one offeror over others. In documenting the negotiations, identify and discuss all negotiation issues in sufficient detail to allow accurate reconstruction of the procurement for immediate review and future reference. The documentation must fully support the recommendation for award.

UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS

Policies

FAR	*Agency Suppl.*	*Subject*
3.104		Procurement integrity—protecting source selection and proprietary information during discussions.
15.201(f)		Restrictions on communications before receipt of proposals
15.301		Definitions of “deficiency” and “weakness”.
15.303(c)		CO’s responsibility to control exchanges after receipt of proposals.
15.306(d)		Exchanges with offerors after establishment of the competitive range.
15.307		Proposal revisions.
15.308		Source selection decision (including documentation requirements).
15.405(c)		Price negotiation.
15.404-4(c)		Do not agree on profit or fee without concurrent agreement on cost and type of contract.
15.406-3		Documenting the negotiation.
52.215-1(c)(2)(iv)		Authorized negotiators.

Other KSA's

1. Skill at leading a team negotiation effort; skill at taking control of meeting.

2. Skill at pursuing a negotiation strategy and altering strategy as necessary; skill at applying techniques and tactics within the limitations of the negotiation environment.

3. Knowledge of basic principles for the conduct of discussions established in Comptroller General decisions and other case law. Example:

- Protest alleging that agency improperly made award to firm whose product does not conform to specifications is sustained where record shows that agency in fact relaxed material requirements of specification for awardee and such action was prejudicial to the other competitive range offerors. (B-238965, Matter of: Roche Diagnostic Systems, Inc., July 20, 1990.)

4. Knowledge of basic principles for trade off decisions established in Comptroller General decisions and other case law. Examples:

- Source selection officials in a negotiated procurement have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results; cost/technical tradeoffs may be made, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation criteria. TRW, Inc., 68 Comp.Gen. 512 (1989), 89-1 CPD P 584. Even where cost is the least important evaluation factor, an agency may award to a lower priced, lower scored offeror if it determines that the cost premium involved in awarding to a higher rated, higher priced offeror is not justified given the acceptable level of technical competence available at the lower cost. Dayton T. Brown, Inc., B-229664, Mar. 30, 1988, 88-1 CPD P 321. The determining element is not the difference in technical scores, per se, but the selection official's judgment concerning the significance of that difference, and the question in such a case is whether the award decision was reasonable and adequately justified in light of the RFP evaluation scheme. TRW, Inc., 68 Comp.Gen. 512, supra; Burnside-Ott Aviation Training Center, Inc.; Reflectone Training Sys., Inc., B-233113; B-233113.2, Feb. 15,

1989, 89-1 CPD P 158. (B-239113; B-239113.2, Matter of: Wyle Laboratories, Inc.; Latecoere International, Inc., August 6, 1990.)

- Where, as here, the RFP provides for a cost/technical tradeoff based on approximately equal weights for cost and technical factors, selection officials retain considerable discretion in determining the significance of technical point score differentials when making cost/technical tradeoffs; their decision, the manner in which they use the results of technical and cost evaluations, and the extent, if any, of cost/technical tradeoffs, are governed only by the tests of rationality and consistency with established evaluation criteria. Actus Corp./Michael O. Hubbard and L.S.C. Assocs., B-225455, supra. Moreover, in conducting the cost/technical tradeoff, the determinative element is not the difference in technical scores per se, but the considered judgment of the selection officials concerning the significance of the difference. See Hardman Joint Venture, B-224551, Feb. 13, 1987, 87-1 CPD P 162. The agency is not required to give equal weight to the percentage differential between technical scores and the percentage differential between proposed costs. Ecology and Env't, Inc., B-209516, Aug. 23, 1983, 83-2 CPD P 229. We therefore have upheld as reasonable an agency's determination that a cost differential was more significant than a somewhat greater percentage differential between technical scores, noting that there is no direct relationship between technical point score differentials and proposed cost differentials. Id. Here, the record shows that agency selection officials considered the point difference between the proposals and reasonably determined that ARD's higher technical score did not reflect a technical advantage that warranted its significantly higher cost. (B-238402, Matter of: Associates in Rural Development, Inc., May 23, 1990)
- In this regard, we have recognized that, while point scores, technical evaluation narratives, and adjective ratings may be indicative of whether one proposal is technically superior to another and should be considered, source selection officials are not bound by the recommendations of lower-level evaluators, even though the working level evaluators may normally be expected to have the technical expertise required for such evaluations. See Grey Advertising, Inc., 55 Comp.Gen. 1111, supra. (B-239113; B-239113.2, Matter of: Wyle Laboratories, Inc.; Latecoere International, Inc., August 6, 1990.)
- While procuring agencies have broad discretion in determining the evaluation plan they will use, they do not have the discretion to announce in the solicitation that one plan will be used and then follow another in the evaluation. Once offerors are informed of the criteria against which their proposals will be evaluated, the agency must adhere to those criteria or inform all offerors of any significant changes made in the evaluation schedule. Greenebaum and Rose Assocs., B-227807, Aug. 31, 1987, 87-2 CPD P 212. (B-236603.2 , Matter of: Gracon Corporation—Request for Reconsideration, May 24, 1990.)
- Further, where cost is secondary to technical considerations under an RFP evaluation scheme, award to an offeror with a lower-priced, technically "average" proposal over an offeror with a technically superior proposal requires an adequate justification. TRW, Inc., 68 Comp.Gen. 511 (1989), 89-1 CPD P 584. (B-236603.2 , Matter of: Gracon Corporation—Request for Reconsideration, May 24, 1990.)

5. Knowledge of the role of cost realism analysis, as represented in Comptroller General decisions and other case law. Examples:

- The Army also concluded that even though EER proposed the lowest cost, it may not provide the lowest cost to the government due to its inefficiency and less qualified personnel. In this regard, we have consistently found that where a cost reimbursement contract is to be awarded, the offerors' proposed estimated costs of performance should

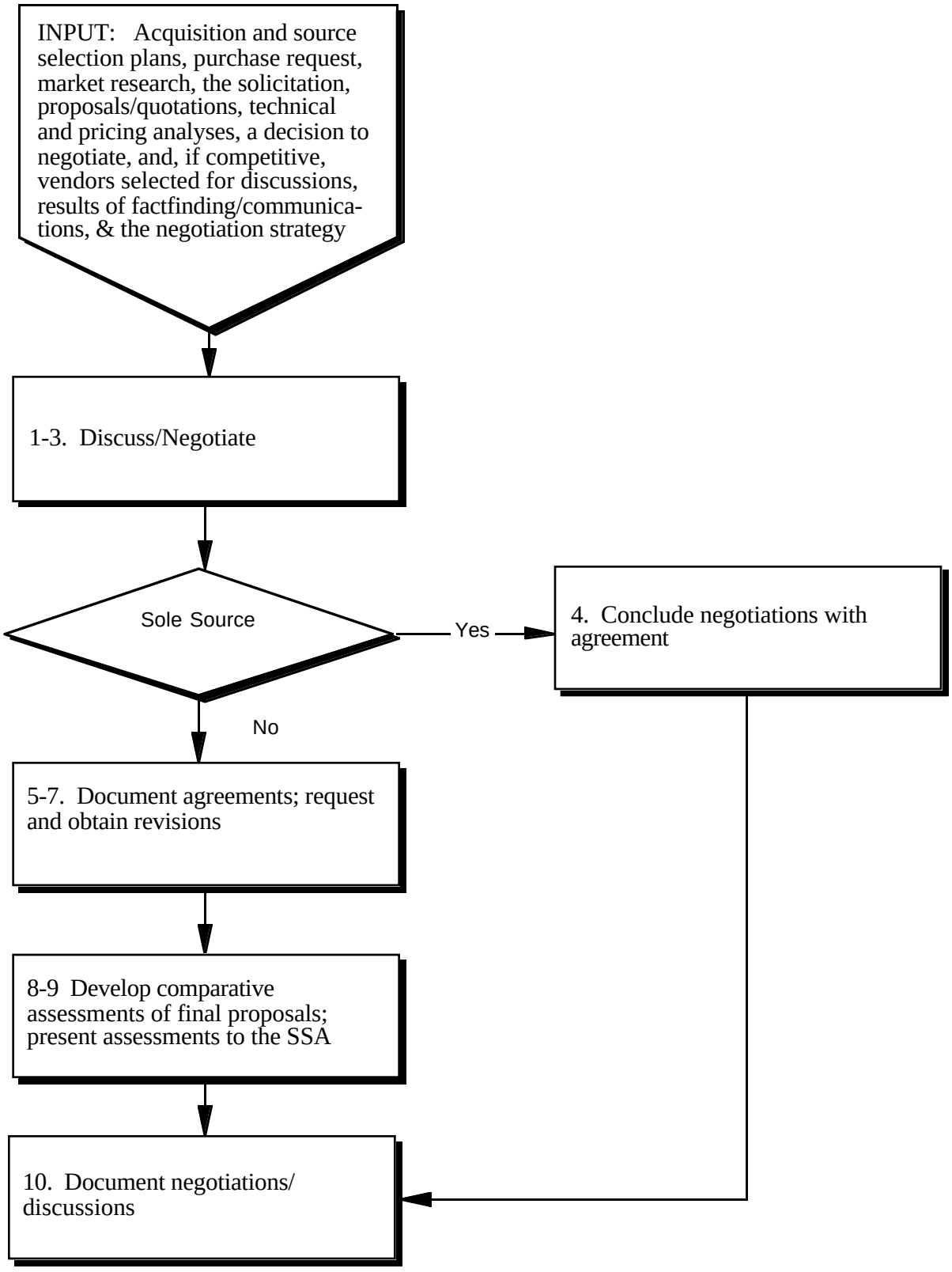
not be considered as controlling, since they may not provide valid indications of the actual costs which the government is, within certain limits, required to pay. Bendix Field Eng'g Corp., B-230076, May 4, 1988, 88-1 CPD P 437. (B-237054, Matter of: EER Systems Corporation, January 29, 1990.)

- Where a fixed-priced contract is to be awarded, prices may be adjusted for realism only as part of an assessment of the risk involved in an offeror's proposal—i.e., to judge the degree of risk by calculating the extent to which the proposed price falls short of the amount the agency believes is required to perform as proposed; this is in essence what the Navy did here. See Systems & Processes Eng'g Corp., B- 234142, May 10, 1989, 89-1 CPD P 441. Adjustment of a proposed fixed price, followed by evaluation of the adjusted price for reasonableness, is inappropriate since a fixed-price contract is not subject to adjustment based on the contractor's cost experience during performance, and thus places full responsibility for costs above the fixed price directly upon the successful offeror. See Litton Sys., Inc., Electron Tube Div., B-215106, Sept. 18, 1984, 84-2 CPD P 317. (B-238259, Matter of: Technology Applications, Inc., May 4, 1990.)
- An agency may properly downgrade a BAFO [sic] as being technically deficient when it does not contain an adequate explanation of price reductions from a previously acceptable initial proposal and may, where consistent with the terms of the RFP, award to a higher-priced technically superior offeror. (B-237555, Matter of: Ferranti International Defense Systems, Inc., February 27, 1990.)

UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS

Other Policies and References (Annotate As Necessary):

UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS



UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS

Tasks	Related Standards
1. Prepare the immediate environment (physical and other aspects) for the negotiations.	1. Provide an adequate facility.
2. Make an opening statement. • Introductions. • Extent of everyone's authority. • Synopsis of procurement. • Results of communications/factfinding. • Purpose of negotiations/discussions. • Stress the Government's intention to be fair and the mutual interest of parties. • Time for opening remarks. • Explain physical layout.	2. Establish a positive win/win environment.
3. Negotiate.	3. Be flexible in negotiations. Recognize the offerors' tactics and strategies. Select and correctly apply the right strategy and tactics (see Appendix I to Unit 45) at the right time in the right situation. Maintain control of the Government team members, in terms of the strategy and tactics employed. Ensure compliance with FAR 3.104, 15.306, 15.303(c)(1), 15.306(e), and 15.405. During the negotiations/discussions, address all concerns and uncertainties. Document any understandings. Although you can negotiate any individual element, focus on reaching agreement on bottom line which represents the best value to the Government, rather than on any individual element (see FAR 15.405(b)). Provide the offeror with a reasonable opportunity to submit any cost or price, technical or other revisions to its proposal that may result from the discussions.
4. Conclude a sole source negotiation with an agreement on price and other terms.	4. If no agreement can be reached, elevate the negotiations, as appropriate, to a higher authority.

UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS

Tasks	Related Standards
5. In competitive discussions, document agreements with each offeror by obtaining interim proposal revisions.	5. Keep records throughout the course of the discussions (including communications, factfinding and the negotiation sessions). Interim revisions may be limited to particular sections of the proposal. When an oral presentation is allowed, information that the parties intend to include in the contract as material terms and conditions shall be put in writing. (15.102(f)).
6. Determine which offerors should be requested to submit final proposal revisions (see Unit 44).	6. If during the course of discussions it becomes evident that an offer previously included in the competitive range is no longer among the proposals rated most highly, that proposal may be dropped without the opportunity to revise.
7. Request and obtain final proposal revisions. • Establish cut-off date for receipt of final revisions. • Prepare written request for final proposal revisions. • Determine if any revisions are late and whether to accept. • Verify final revisions against your documented record of the discussions. • Identify and resolve mistakes (see Unit 52).	7. Satisfy all procedural requirements of FAR 15.307.
8. Re-evaluate and rate the proposals to identify the highest ranking proposal. • Obtain ratings on technical evaluation factors (per Unit 36). • Apply price-related evaluation factors (per Units 37 or 40). • Determine the overall ranking of each proposal.	8. In rating proposals, only apply evaluation factors in the RFP. Correctly use the formula for applying those factors from Units 14 and 15 to rate final proposals.
9. Present comparative assessment of final proposals to the Source Selection Authority (SSA).	

UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS

Tasks	Related Standards
10. Document the negotiations.	10. Conform to FAR 15.406-3. Discuss all identified issues in sufficient detail to allow an accurate reconstruction of the acquisition for immediate review and future reference.

UNIT 46 CONDUCTING DISCUSSIONS/NEGOTIATIONS

Tasks	Related Standards

UNIT 47 DEBRIEFING

September 1998

Duty	Debrief offerors at their request.
Conditions	Given contract files (including, among other elements**,** source selection documentation and offers or quotations).
Overall Standard(s)	Disclose no information that must be kept confidential (e.g., proprietary data). Present the basis for not awarding to unsuccessful offerors, in terms of evaluation factors from the solicitation. Disclose other information required by the FAR. Provide any other information that will help the offeror(s) submit better proposals in the future, through frank and open dialogue. Tactfully answer all questions from vendor representatives. Successful offerors may be given a postaward debriefing, at their request. Conduct preaward debriefings to provide feedback as soon as possible to unsuccessful offerors.

UNIT 47 DEBRIEFING

Policies

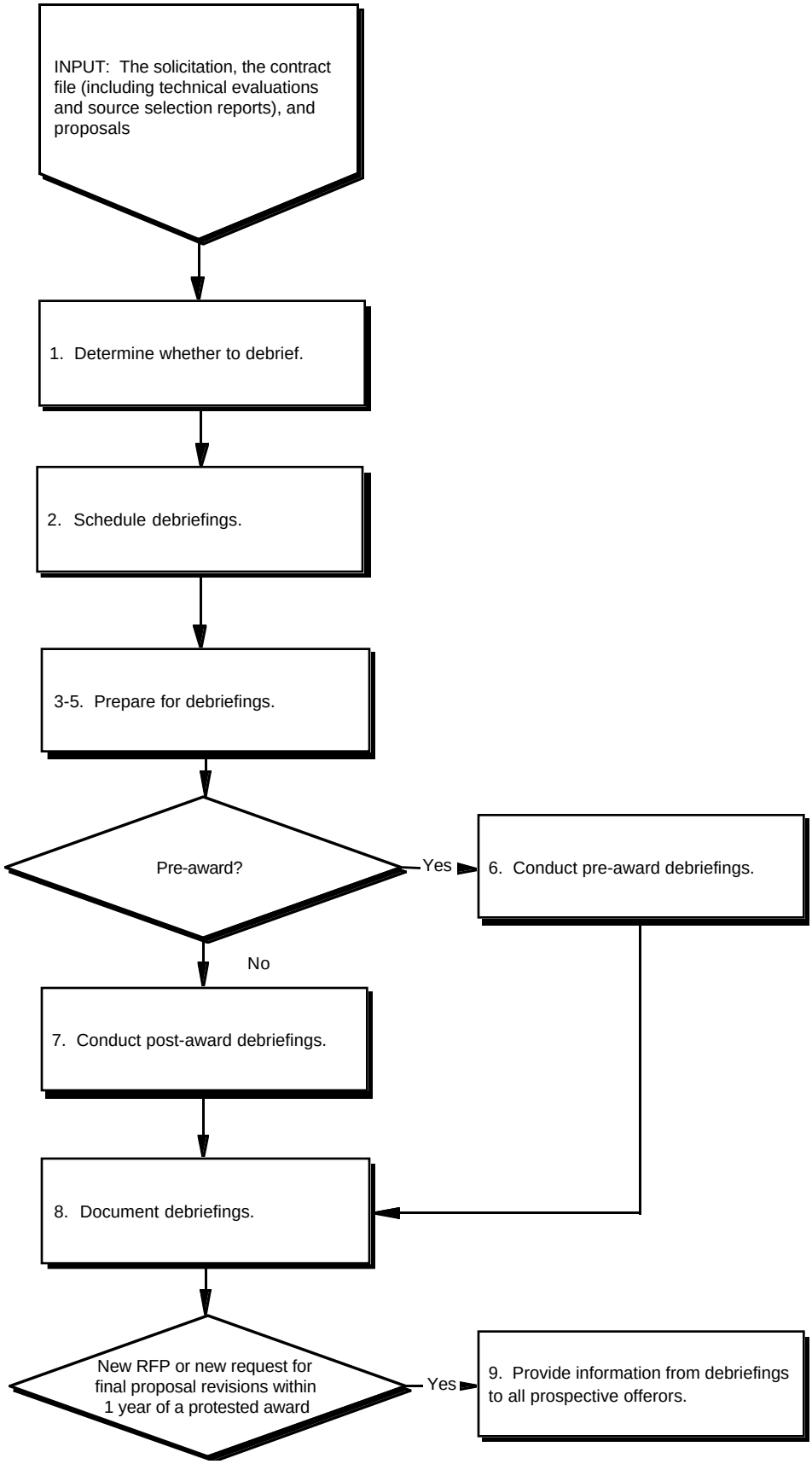
FAR	*Agency Suppl.*	*Subject*
13.106-2(c)(3)		Debriefings under SAT
15.505		Preaward Debriefing of unsuccessful offerors.
15.506		Postaward debriefing of offerors.
35.008(d)		R&D debriefings.

Other KSA's

1. Skill at conducting and controlling meetings, including dealings with varying degrees of negative attitudes on the part of offerors.

Other Policies and References (Annotate As Necessary):

DEBRIEFING


INPUT: The solicitation, the contract file (including technical evaluations and source selection reports), and proposals
1. Determine whether to debrief.
2. Schedule debriefings.
3-5. Prepare for debriefings.
Pre-award?
Yes
6. Conduct pre-award debriefings.
No
7. Conduct post-award debriefings.
8. Document debriefings.
New RFP or new request for final proposal revisions within 1 year of a protested award
Yes
9. Provide information from debriefings to all prospective offerors.

UNIT 47 DEBRIEFING

Tasks	Related Standards
1 Determine whether to debrief an offeror.	1. Only debrief if a debriefing is requested. You must debrief if the request is submitted within the time limits prescribed by the FAR. Under SAT, debrief only if you based award in part on factors other than price. Generally, when time and resources permit, accommodate untimely requests for post-award debriefings to provide feedback to unsuccessful offerors. Over time, such debriefings should lead to improvements in the general quality of proposals. However, debriefings untimely requested are not "required" briefings, and the performance suspension requirements of the protest rules do not apply. (15.506(a)(4)).
2. Schedule debriefings.	2. Comply with FAR scheduling requirements. You must try to schedule pre-award debriefs within 5 days of the request for the preaward debriefing. You may delay a preaward debriefing if there is a compelling reason to do so. However, the debriefings may not be delayed beyond the time period that post award debriefings are being conducted AND, if they are delayed to that point, the offeror is entitled to the same level and type of information required for postaward debriefings. (15.505(a)(2))
3. Determine the method of debriefing.	
4. Identify and notify Government participants in the debriefing. • Brief Government personnel on their roles. • Chair and lead the Government team.	4. Under SAT, ordinarily only the contracting officer debriefs.

UNIT 47 DEBRIEFING

Tasks	Related Standards
5. Prepare for debriefing. For preaward debriefings-- • Prepare to present the agency's evaluation of significant elements in the offeror's proposal • Prepare a summary of the rationale for eliminating the offeror from the competitive range • Prepare reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed in eliminating the offeror from the competitive range. For postaward debriefings-- • Identify the overall evaluated cost and technical rating of the successful and debriefed offerors. • Identify the overall ranking of all offerors when any ranking was developed by the agency during the source selection. • Summarize the rationale for award. • For commercial items delivered under the contract, identify the make and model of the item being provided by the successful offeror. • Prepare reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed.	5. For awards under SAT, only provide a brief explanation of the basis for the contract award decision (see 15.503(c)(2). Over SAT, present an accurate and complete position on all issues that may arise during the debriefing session. Present the rationale for excluding the offeror from the competition. Identify and do not disclose any information exempt from release under the Freedom of Information Act including— • Trade secrets; • Privileged or confidential manufacturing processes and techniques; and • Commercial and financial information that is privileged or confidential, including cost breakdowns, profit, indirect cost rates, and similar information. The FAR also requires contracting officers to protect the names of individuals providing reference information about an offeror's past performance. [§15.505 and 506]

UNIT 47 DEBRIEFING

Tasks	Related Standards
6. Conduct preaward debriefings. • Disclose how the agency rated significant elements in that offeror's proposal. • Present a brief summary of reasons why the offeror was eliminated from the competition. • Answer the offeror's questions about the source selection process and agency rules on source selection.	6. Keep the Q&A session relatively unstructured, so that it supports a frank and open exchange of information. You should talk about how agency rules and source selection procedures applied to the instant source selection. During preaward debriefings, do not disclose— (1) The number of offerors; (2) The identity of other offerors; (3) The content of other offerors' proposals; (4) The ranking of other offerors; (5) The evaluation of other offerors; or (6) Any of the information prohibited in 15.506(e).
7. Conduct post-award debriefings.	7. During postaward debriefings, you may disclose: • The overall evaluated cost to the Government (including unit prices) and technical rating of the successful offeror and the debriefed offeror (including past performance information on the debriefed offeror), if applicable.* • The overall ranking of all offerors when any ranking was developed by the agency during the source selection.* • A summary of the rationale for award.* • For commercial items delivered under the contract, the make and model of the awardee's deliverable.* • Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed. (* do not apply to A&E contracts) Do NOT provide point by point comparisons of the debriefed offeror's proposal with those of other offerors.
5. Document debriefing session.	5. An accurate and complete record is on file.

Tasks	Related Standards
8. Upon issuance of a new solicitation or new request for final proposal revisions on the protested contract award, provide information from the debriefing to all offerors. • Information on the successful offeror's proposal provided in the debriefings. • Other nonproprietary information that would have been provided to the original offerors.	8. This information must be provided only if the issuance is within one year of contract award.

UNIT 47 DEBRIEFING

Tasks	Related Standards

UNIT 48 RESPONSIBILITY

February 1999

Duty	Determine and document the responsibility or nonresponsibility of a prospective contractor.
Conditions	Given a solicitation, several offers, the List of Parties Excluded From Procurement Programs, and the results of market research and acquisition histories
Overall Standard(s)	Awards contracts only to those firms which are reasonably certain of being capable of effective performance in compliance with all terms and conditions of the contract.

UNIT 48 RESPONSIBILITY

Policies

FAR	*Agency S.*	*Subject*
3.103-2		Evaluating the Certificate of Independent Price Determination.
3.406 3.407 3.409		Determining whether a prospective contractor is not eligible for award when the contractor has a contingent fee arrangement with a third party.
9.1		Policies on responsibility, including the general and special standards of responsibility.
9.400-405; 9.405; 9.408		No award to excluded parties.
9.6		Evaluating proposed contractor team arrangements.
9.7		Evaluating proposed pooling arrangements.
13.101(a)		Satisfying the procedures described in Subpart 19.6 with respect to Certificates of Competency before rejecting a quotation, oral or written, from a small business concern determined to be nonresponsible.
14.404-2(g) 14.404-2(h) 14.404-2(k)		Rejecting bids from nonresponsible bidders.
19.1 19.301		Eligibility for set asides.
19.6		Certificates of competency.
22.8		EEO clearances.
22.1025		Ineligibility under the Service Contract Act.
23.1		No contracts with firms proposing to use facilities that are in violation of the Air or Water Acts.
23.5		Drug free workplace requirements for eligibility.
32.107		Don't use an offeror's need for contract financing as a responsibility factor.
35.008(c) 37.108		Applicability of COC's to R&D and service contracts.
37.109		No contracts with Pinkerton Detective Agencies or like organizations.
52.203-2		Certificate of independent price determination.
52.203-4 52.203-5		Contingent fee arrangements.
52.204-3; 52.212-3(b)		Parent company and identifying data; type of business.
52.209-5		Certification regarding debarment, suspension, proposed debarment, and other responsibility matters.
52.209-8		Ineligibility for failure to certify absence of actual or potential conflict of interest or unfair competitive advantage exists (when acquiring advisory or assistance services).
52.214-10 52.215-16		Contract award.
52.214-17		Affiliated bidders.
52.219-14		Limitations on subcontracting (50% rule).
52.222-24		Pre-award on-site EEO compliance review.
52.223-1		Clean air and water certification.
52.223-5		Drug free certification.
52.247-6		Requirement to submit a financial statement, as a basis for determining responsibility.

UNIT 48 RESPONSIBILITY

Other KSA's

1. Knowledge of environmental and labor laws, with respect to eligibility for award; knowledge of fraud with respect to applying the general standard on integrity (from Business Law).

2. Knowledge of types of financial assets; creation and transfer of financial assets; financial institutions; markets and securities; interest rates; and financing methods, in terms of applying the General Standard for financial responsibility (e.g., from Business Finance).

3. Knowledge of techniques for analyzing financial statements (e.g., ratio analysis, firm standards vs. industry-wide averages, interrelationship of ratios and trends, funds flow analysis, analysis of additional information in annual reports, such as auditor opinions, notes, full disclosure, comparative statements, and SEC reports), in terms of applying the General Standard for financial responsibility (e.g., from Business Finance and Accounting).

4. Knowledge of financial forecasts and plans (e.g., forecasting techniques; applicable data from income, cash flow, and balance sheets; financial plans and budgets; working capital management; and raising intermediate and long-term funds), in terms of applying the General Standard for financial responsibility (e.g., from Business Finance).

5. Knowledge of accounting records and systems, responsibility centers, accounting information in management control (e.g., controllable costs; engineered, discretionary, and committed costs), programming and budgeting, and analyzing and reporting performance (e.g., production cost variances, other variances, analysis of variances, control steps, and steps in the control process), in terms of applying the General Standard on organizational responsibility (e.g., from Accounting).

6. Knowledge of control, advanced control techniques, control of overall performance, and control of management quality, in terms of applying the General Standard on organizational responsibility (e.g., from Organization and Management).

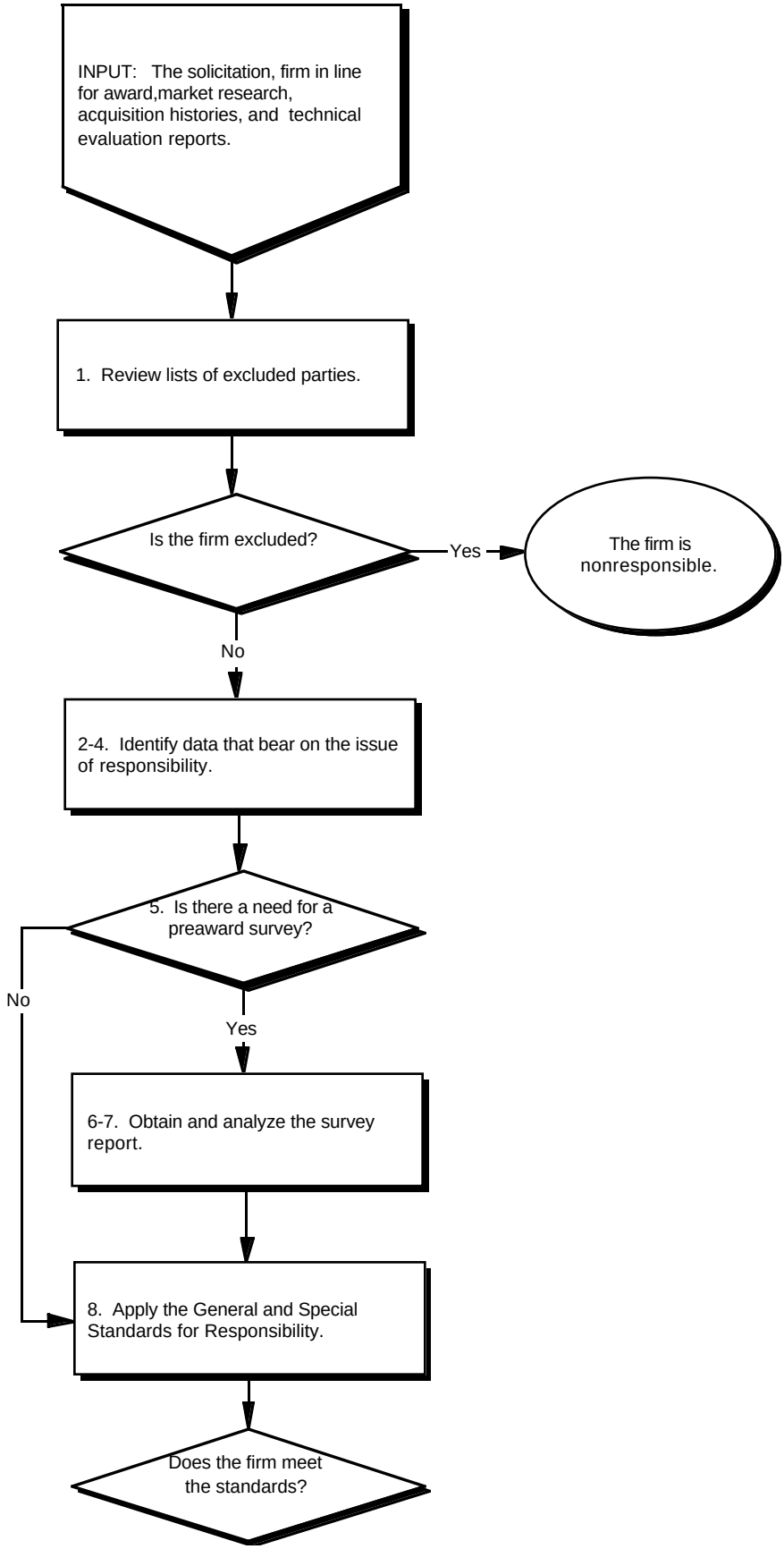
7. Knowledge of production and operations planning (e.g., demand forecasting, capacity planning, inventory replenishment, production scheduling and leveling, network planning, PERT/CPM, critical path, probabilistic network methods, and deployment of resources), in terms of applying the General Standards on delivery, organizational and technical capabilities (e.g., from Industrial Management).

8. Knowledge of organization for production (e.g., process and job design, facility layout, and work measurement) and logistics (e.g., elements, storage, transportation, and distribution), in terms of applying the General Standards on organizational and technical responsibility (e.g., from Industrial Management).

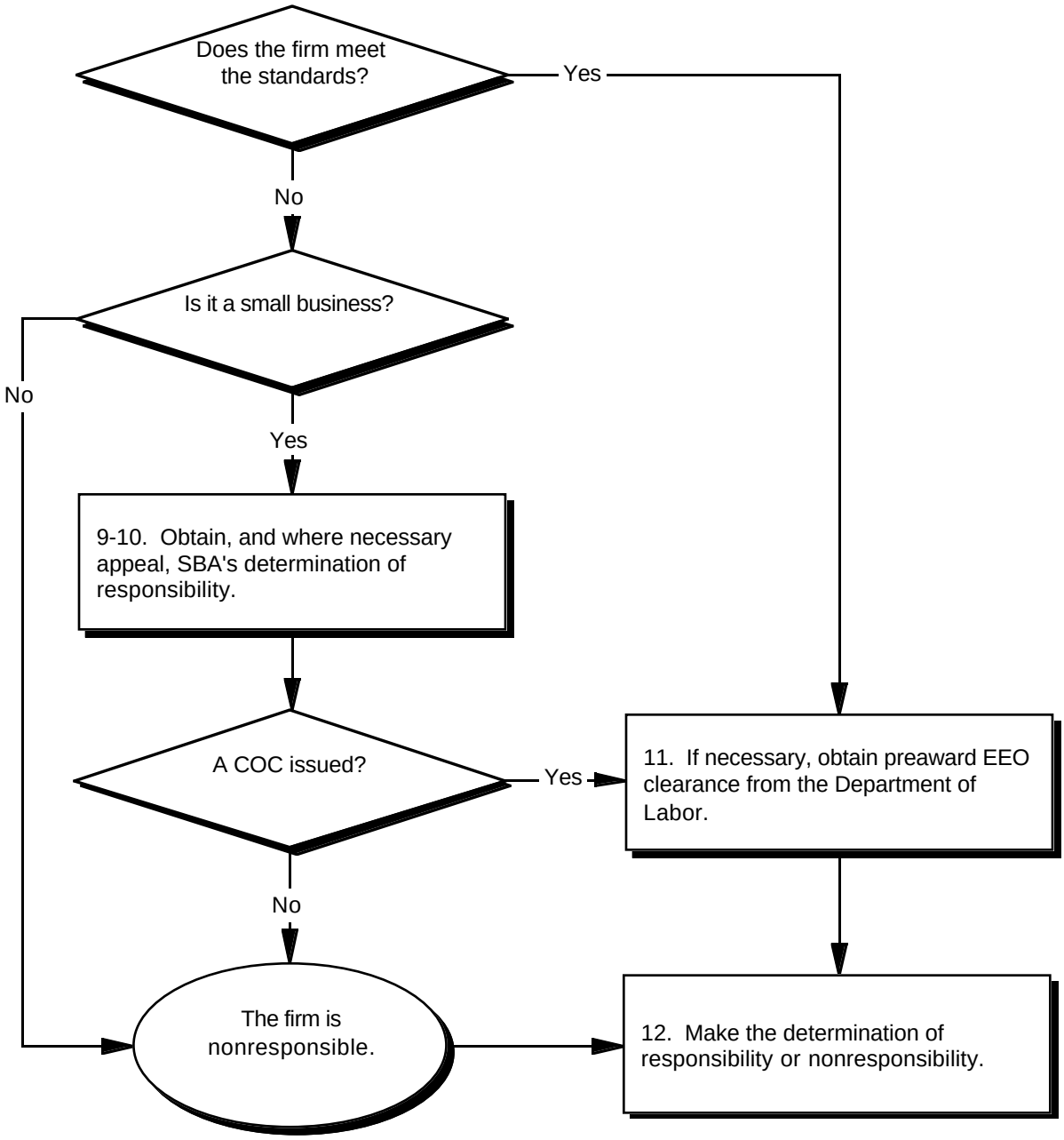
9. Skill at communicating and exercising leadership in working with preaward survey activities and with SBA on COC's (from Organization and Management).

Other Policies and References (Annotate As Necessary):

RESPONSIBILITY



RESPONSIBILITY



UNIT 48 RESPONSIBILITY

Tasks	Related Standards
1. Review the List of Parties Excluded From Federal Procurement and Nonprocurement Programs to determine that the contractor (either by corporate name or names of principal officers) is not debarred, suspended, proposed for debarment, or otherwise ineligible for the contract. • Also review the List to ensure that no proposed subcontractor is debarred, suspended, or ineligible for the subcontract: - Identify any such subcontractors to the offeror in writing. - Require the offeror to obtain a different, more acceptable subcontractor to be eligible for award. • When there are compelling reasons for continuing business dealings with a debarred, suspended, or ineligible contractor, prepare justification for signature by the agency head or designee.	1. Do not award to any contractor or subcontractor which is debarred, suspended, or proposed for debarment, absent compelling reasons. Under the conditions and for the period stipulated in the statute or regulation at issue, do not award to contractors or subcontractors excluded by reason of ineligibility.
2. Identify data in the offer that bear on the issue of responsibility (e.g., The Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters, other certifications and representations, and information specifically requested).	2. Identify all evidence of possible nonresponsibility (e.g., failure to certify that it will provide a drug free workplace).
3. Identify data from acquisition histories that bear on the issue of responsibility (from Unit 5).	3. Identify all available evidence of possible nonresponsibility, including data from acquisition histories in: • The agency's contract offices. • Audit and IG offices. • Contract offices in other agencies.
4. Identify secondary data from market research that bear on the issue of responsibility (from Unit 5).	4. Identify all available evidence of possible nonresponsibility, including data from such sources as: • Publications. • Suppliers, subcontractors, and customers of prospective contractor. • Financial institutions (e.g., Dun and Bradstreet). • Business and trade associations.
5. Determine whether to request a preaward survey.	5. Request a survey only when there is net benefit (given the cost of surveys) in obtaining data to verify the responsibility of marginal companies or companies for which data are insufficient. (On this basis, generally avoid requesting surveys when the contemplated contract is estimated at under $25,000 or is a contract for a commercial item.)

UNIT 48 RESPONSIBILITY

Tasks	Related Standards
6. Prepare and forward request for preaward survey. Subtasks: • Complete sections I and II of SF 1403 (Preaward Survey of Prospective Contractor). • Address major factors to be investigated (Section III of SF 1403) and identify any factors not listed in Section III. • Include the complete solicitation package and any information indicating prior unsatisfactory performance (from Unit 5, research of acquisition histories and market). • State whether the contracting office will participate in the survey. • Complete and enclose any other standard or agency form for use by the surveyors. • Identify the date when the survey is required.	6. Correctly complete the SF 1403. The due date should be commensurate with the scope of the requested survey; normally allow at least seven working days for conduct of the survey.
7. Review finished survey report to identify any omissions or deficiencies and follow-up questions for survey team members. Such reviews may include: • SF 1403 and the appropriate SF on each major factor. • SBA contact when prospective contractor is small business/8(a) or has received a Certificate of Competency in the last 12 months. • Discussion of extent of contractor action to correct past poor performance disclosed by the survey. • Short form report (Sections III and IV of SF 1403) when (a) no special areas of investigation have been requested, (b) no on-site survey was conducted, and (c) surveying activity has information on hand supporting the recommendation for award.	7. Identify any omission. Identify any conclusions not validly derived or fully supported by furnished data. Identify any conclusion or supporting data that are inconsistent with other data.

UNIT 48 RESPONSIBILITY

Tasks	Related Standards
8. Apply General and Special Standards for Responsibility to assembled data. • Any Special Standard for the procurement. • Adequate financial resources to perform or the ability to obtain them. • Ability to comply with delivery or performance schedule. • Satisfactory performance record. • Satisfactory record of integrity. • Necessary organization, experience, accounting and operational controls and technical skills, or the ability to obtain them. • Necessary production, construction, and technical facilities or equipment, or the ability to obtain them. • Otherwise qualified and eligible to receive an award	8. Apply all standards in FAR 9.104. Do not consider the offeror otherwise qualified and eligible to receive the award if: • It plans on using facilities in violation of the Clean Air and Water Acts • It has not certified to providing a drug-free workplace • It is a Pinkerton Detective Agency or like organization. • It is not eligible for award under other applicable laws and regulations. When evaluating a contractor's ability to obtain resources, consider the contractor nonresponsible if it is unable to comply with the limitations on subcontracting at FAR 52.219-14 (when applicable).[1]
9. If a determination of nonresponsibility is contemplated for a responsive small business, refer award to SBA. Subtasks: • Withhold contract award. • Refer the matter to the cognizant SBA Regional Office (which will offer the concern an opportunity to apply for a Certificate of Competency). • If SBA denies the firm's application for a Certificate of Competency (COC) or does not issued the Certificate within 15 days (or within the period that SBA has negotiated with you), award the contract to the next responsible offeror in line for award.	9. Do not refer the award to SBA if the contractor is suspended or debarred or if the contractor is not otherwise qualified and eligible to receive an award under applicable laws and regulations per 9.104-1(g). The referral consists of a notice that the small business concern has been determined to be non-responsible, specifying the elements of responsibility found lacking, along with data supporting the determination, including all of the following that are applicable: • A copy of the solicitation • Final offer from the concern whose responsibility is at issue • Abstract of bids or the price negotiation memorandum • Preaward survey. • Technical data package -- drawings and specifications. • Any other justification and documentation used to arrive at the nonresponsibility determination.
10. Upon receiving the advance notice from the Regional Office of intent to issue a COC, determine whether to file an appeal to the SBA Central Office.	10. If the decision is to appeal: • Provide factual data to support the case for denying the application for a COC. • Identify other responsible small businesses in line for award.

[1] FAC 97-01.

UNIT 48 RESPONSIBILITY

Tasks	Related Standards
11. Obtain preaward EEO clearance from the Department of Labor for contracts and subcontracts of $10 million or more. You do not need to request a preaward clearance if: • The specific proposed contractor is listed in OFCCP's National Preaward Registry (http://www.dol-esa.gov/preaward); • The projected award date is within 24 months of the proposed contractor's Notice of Compliance completion date in the Registry; and • The contracting officer documents the Registry review in the contract file.	
12. Make the determination of responsibility or nonresponsibility. • CO's signing of a contract or a Certificate of Competency constitutes a determination that prospective contractor is responsible. • For non-responsible determination, prepare written basis and include in contract file.	12. Validly derive all conclusions from factual data provided in the written memorandum to the file. SBA COC's are deemed conclusive with respect to all elements of responsibility.

UNIT 48 RESPONSIBILITY

Tasks	Related Standards

UNIT 49 SUBCONTRACTING REQUIREMENTS

February 1999

Part A: Establishing Subcontracting Requirements

Duty	Incorporate subcontracting requirements in the solicitation.
Conditions	Given purchase requests, acquisition histories, and market data.
Overall Standard(s)	Incorporate the applicable provisions and clauses.

Part B: Evaluating Subcontracting Plans

Duty	Approve or disapprove subcontracting plans for inclusion in the contract.
Conditions	Given the solicitation and a proposed subcontracting plan.
Overall Standard(s)	Approved subcontracting plans must provide the maximum practicable opportunities for small, HUBZone, small/disadvantaged, and women-owned businesses to obtain subcontracts.

Part C: Make-Or-Buy Programs

Duty	Negotiate a make-or-buy program.
Conditions	Given a submitted make-or-buy program and supporting data, acquisition histories, and market data.
Overall Standard(s)	In preparing prenegotiation positions on the submitted program, account for all factors listed in FAR 15.407-2. Correctly determine whether the negotiated program must be incorporated in the contract.

UNIT 49 SUBCONTRACTING REQUIREMENTS

Policies

FAR	*Agency Suppl.*	*Subject*
15.407-2		Make-or-buy programs.
19.7		Subcontracting with small business, HUBZone, small disadvantaged business concerns, and women-owned small business concerns.
19.1203		Negotiating monetary incentives or award fee factors for exceeding monetary targets for SDB participation.
26.1		Indian incentive program.
52.219-8 through 219-10;		Small business subcontracting requirements.
52.219-25 & 52.219-26		Clauses related to monetary incentives or award fee factors for exceeding monetary targets for SDB participation.
52.226-1		Indian incentive program.

Other KSA's

1. Knowledge of sources of information on markets and market research techniques to determine realistic small business and small disadvantaged business subcontracting goals.

Other Policies and References (Annotate As Necessary):

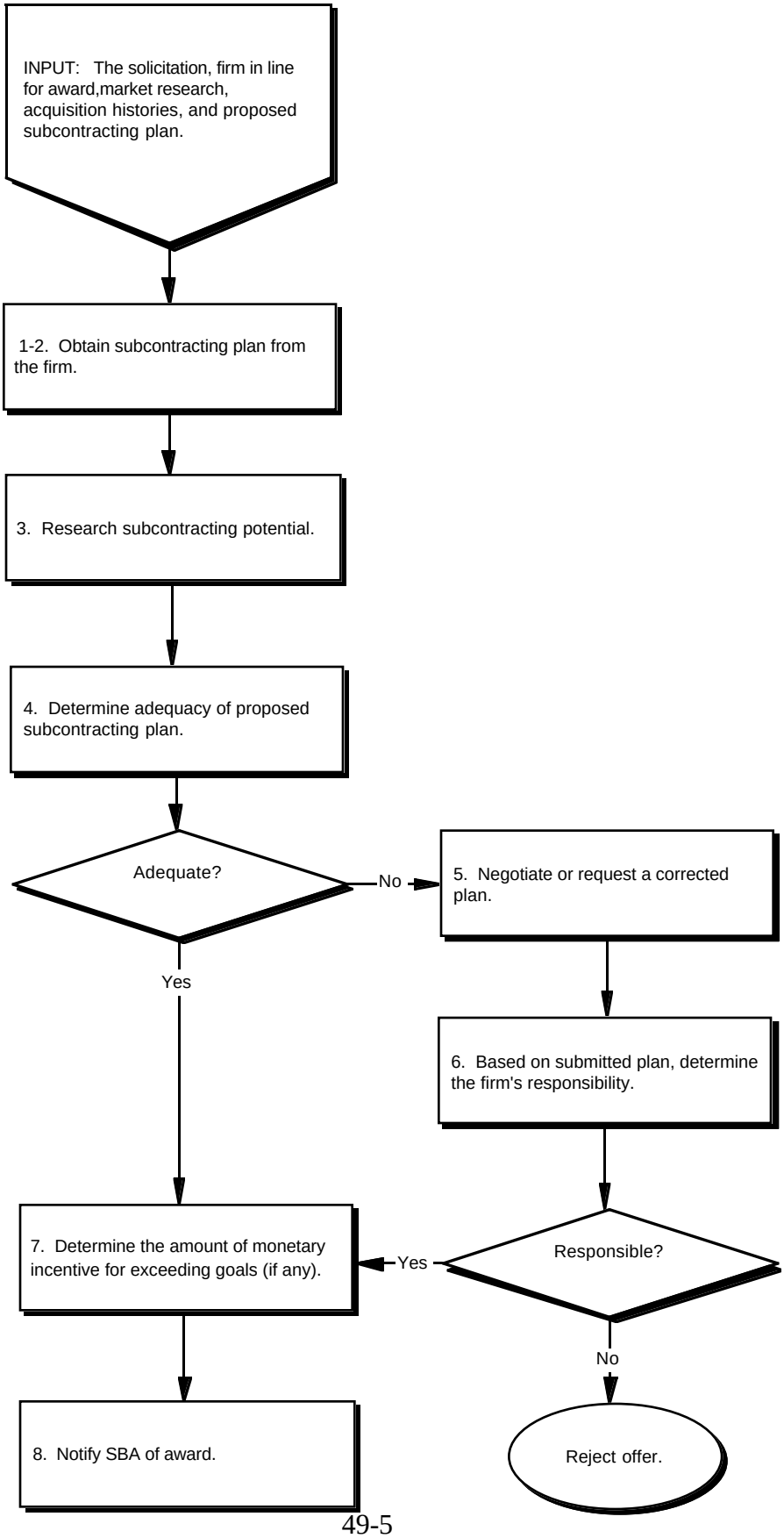
UNIT 49 SUBCONTRACTING REQUIREMENTS

Part A: Establishing Subcontracting Requirements

1. Incorporate requirements in the solicitation and resulting contract to subcontract with Small, HUBZone, Small Disadvantaged and Women-Owned Small Business Concerns.	A1. Incorporate the clause at 52.219-8 unless the contract: • Will not exceed SAT. • Will be performed (including all related subcontracts) entirely outside the United States, its territories and possessions, and Puerto Rico, or • Is for personal services.
2. Incorporate a requirement in the solicitation and resulting contract for a Small Business Subcontracting Plan.	A2. Only require a subcontracting plan when the contract: • Offers subcontracting possibilities, • Is expected to exceed $500,000. • Includes the clause at 52.219-8, • Is not being accomplished through the 8(a) program, and • The offeror is not a small business. Determinations about subcontracting possibilities and dollar thresholds should conform to the policies in FAR 19.705-2. If a subcontracting plan is to be required, provide the SBA resident procurement center representative time to review the solicitation and submit advisory findings before issuance.
3 If a subcontracting plan is required, also incorporate the clause at 52.226-1 (Utilization of Indian Organizations and Indian-Owned Economic Enterprises).	A3 In non-Defense agencies, incorporate the clause only if: • Subcontracting possibilities exist for Indian organizations or Indian-owned economic enterprises, and • Funds are available for equitable adjustments under the clause.

4. Incorporate a requirement in the solicitation for a proposed make-or-buy program. Include: • A statement that the program and required supporting information must accompany the offer. • Factors for evaluating the proposed program (e.g., capability, capacity, availability of small business concerns for subcontracting, delivery or performance schedules, control of technical and schedule interfaces, proprietary processes, technical superiority or exclusiveness, and technical risks involved.) • Types of information required to support the proposed make-or-buy decisions for each major item or work effort, including the identification of proposed subcontractors, if known, and their location and size status (see also Subpart 19.7 for subcontracting plan requirements).	A4. Require prospective contractors to submit make-or-buy programs for all negotiated acquisitions whose estimated value is $5 million or more, except when the proposed contract— • Is for R&D, with no significant follow-on production under the same contract; • Is exempt from requirements for certified cost and pricing data; or • Only involves only non-complex work. Also require prospective contractors to submit make-or-buy programs for negotiated acquisitions whose estimated value is under $5 million if that information is necessary.

Evaluating Subcontracting Plans



UNIT 49 SUBCONTRACTING REQUIREMENTS

Part B: Evaluating Subcontracting Plans

Tasks	Related Standards
1. Request the subcontracting plan from the offeror. • May be either a plan for this individual procurement or a Commercial Plan (i.e., umbrella company-wide or division-wide) for a number of contracts. • If it is a Commercial Plan, ensure it applies to this contract (e.g., right time period). • May incorporate by referencing an approved plant-wide or division-wide master subcontracting plan, with individual goals for this specific contract.	B1. Request and obtain subcontracting plans within an established timeframe but before award. Provide a copy to the SBA resident procurement center representative of the plan, supporting documentation, and the rest of the contract. Per FAR 19.701, a "commercial plan" is a subcontracting plan (including goals) that that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line)" [1]
2. Provide a copy of the contract to the SBA resident procurement center representative, including the subcontracting plan and supporting documentation.	

[1] FAC 97-05.

Tasks	Related Standards
3. Conduct factfinding on the subcontracting plan with help from the SBA resident procurement center representative and/or the Small Business Specialists).	B3. Obtain data on such matters as: • The offeror's past performance in awarding subcontracts for the same or similar products or services to mall, HUBZone small, small/ disadvantaged, and women-owned businesses. • The offeror's overall past performance in awarding subcontracts to mall, HUBZone small, small/ disadvantaged, and women-owned businesses. • The offeror's make or buy program, in terms of identifying potential conflicts with the proposed subcontracting plan. • Subcontracting potential, given the offeror's make or buy policies and programs, nature of the items to be subcontracted, the known availability of small, HUBZone small, small/ disadvantaged, and women-owned businesses in the area where the work is to be performed, and the offeror's longstanding contractual relationships with suppliers.
4. With assistance from the SBA resident procurement center representative and/or the Small Business Specialists, determine whether the plan is adequate. Criteria for evaluating the offeror's goals and plans: • Completeness, in terms of the requirements in FAR 19.704. • Attainability, given— - Subcontracting opportunities. - Pool of eligible subcontractors. - Previous involvement of small business concerns as prime contractors or subcontractors in similar acquisitions. - Proven methods of involving small business concerns as subcontractors in similar acquisitions. - Actual performance by such contractor against prior plans. - The relative success of methods the contractor intends to use to meet the goals and requirements of the plan, as evidenced by records maintained by the contractor. • Consistency with "make-or-buy" policy. • Consistency with pricing information supplied by the offeror (per Unit 38)[2]	B4. Check the submitted plan against the elements, information, goals and assurances required by FAR 19.704. Do not accept zero goals. Set subcontracting goals at a level that the parties reasonable expect can result from good faith efforts by the offeror to use small, HUBZone, and small disadvantaged contractors to the maximum practicable extent. Commit the offeror in writing to specific steps that, if taken, would represent a good faith effort. Do not negotiate a goal upwards if it is apparent that a higher goal will significantly increase the Government's cost or seriously impede the attainment of acquisition objectives.

[2] FAC 97-05.

Tasks	Related Standards
5. Advise the contractor if any inadequacies in the subcontracting plan. • When awarding through negotiations, negotiate improvements. • When awarding through sealed bidding and the bidder's plan does not cover each of the required elements, advise the bidder of deficiencies and invite it to submit a corrected plan by a specific date.	B5. Accept no changes in the plan that would affect a Best and Final Price or bid price. Advise the offeror of available sources of information on potential small and small disadvantaged business subcontractors, as well as any specific concerns known to be potential subcontractors.
6. Based on the plan as submitted, determine whether the offeror is responsible.	B6. Find the offeror nonresponsible if: • In sealed bidding, the corrected plan is not submitted on time, • The plan is not adequate, or • If the offeror's past record of compliance with subcontracting plans, as a factor in determining responsibility, tips the scales against the offeror.
7. Determine whether to establish a monetary incentive for exceeding subcontracting goals and negotiate the amount of the incentive (expressed as a percentage of the dollars in excess of each goal in the plan, to a maximum of 10%). Regardless of whether you incorporate a subcontracting plan in the contract, you may establish an incentive under FAR 19.1203 to encourage increased subcontracting opportunities for SDB concerns. In that case: • Determine whether to use an award fee or an incentive. • If an incentive, incorporate the clause at 52.219-26. (FAC 97-07)	B7. Establish a monetary incentive under FAR 19.7 when: • Contracting by negotiation, • A subcontracting plan is required, • Subcontracting goals are realistic, • The incentive is necessary to increase subcontracting opportunities, • The incentive is commensurate with efficient and economical contract performance, and • The monetary amount is commensurate with additional investments (i.e., monies that the firm would not otherwise have spent for this purpose) necessary to expand the contractor's supplier base of small, HUBZone small, small/ disadvantaged, and women-owned subcontractors.
8. Notify SBA of the award. • Send a copy of the award document to the Assistant Regional Administrator for Procurement Assistance in the SBA region where the contract will be performed. • Forward a copy of the plan and any associated approvals to the Assistant Regional Administrator for Procurement Assistance in the SBA region where the contractor's headquarters is located, if any company-wide plans were received from offerors of commercial products. • Forward a copy of the subcontracting plan to the assigned SBA resident procurement center representative.	

Note—To monitor and enforce compliance with the subcontracting plan, see Unit 57, Part C.

UNIT 49 SUBCONTRACTING REQUIREMENTS

Part C: Make-Or-Buy Programs

Tasks	Related Standards
1. Determine whether or not to require the submission of a make or buy program.	C1. Require a make or buy program in all negotiated acquisitions whose estimated value is $5 million or more, except when the proposed contract is— • For research or development and—if prototypes or hardware are involved—no significant follow-on production under the same contract is anticipated; • Exempt from the requirement for certified cost or pricing data (per Unit 38); or • Only for non-complex work. For cost-based negotiated acquisitions under $5 million, only consider a separate "make-or-buy" submission per FAR 15.704 if the work would entail a high stakes "make-or-buy" decision by the contractor. Otherwise, review the contractor's "make or buy" assumptions as part of the cost analysis (per Unit 40).
2. Incorporate a provision in the RFP requiring submission of a make-or-buy program.	C2. Only require information on major items or tasks per FAR 15.704. Also provide notice: • That the program and required supporting information must accompany the offer. • Of factors to be used in evaluating the proposed program (e.g., capability, capacity, utilization of small, HUBZone small, small/ disadvantaged, and women-owned businesses, delivery or performance schedules, control of technical and schedule interfaces, proprietary processes, technical superiority or exclusiveness, and technical risks involved). • Of the specific data that must be part of the submission. Examples: - Major items and tasks that are “must make” and why. - Major items and tasks that are “must buy” and why. - Major items and tasks that the firm “can either make or buy” and the firm's preference for each such item or task. - For each "make" item or task, the name and location of the proposed plant or division. - For each "buy" item or task, the identity of proposed subcontractors, if known, and their location and size status.

UNIT 49 SUBCONTRACTING REQUIREMENTS

Part C: Make-Or-Buy Programs

Tasks	Related Standards
3. Prepare prenegotiation positions on the proposed make or buy program as part of the cost analysis (Unit 40) and as part of the analysis of the proposed subcontracting plan (if any).	C3. Give primary consideration to the effect of the proposed make-or-buy program on price, quality, delivery, and performance, including technical or financial risk involved. Also consider: • The contractor's justification for performing the work in a way that differs significantly from its normal operations. • Whether the contractor's recommended program requires Government investment in new or other facilities (an additional cost not reflected in the contract price). • The impact of the contractor's projected plant work loading on indirect costs. • The potential for greater utilization of small business, HUBZone, or small disadvantaged business concerns. • The contractor's make-or-buy history for that item or task. • The scope of proposed subcontracts, including the type and level of technical effort involved. • Other factors such as future requirements, engineering, tooling, starting load costs, market conditions, technical superiority, and the availability of personnel and materials.
4. Negotiate an agreement on the make-or-buy program.	C4. Unless the contractor can demonstrate that "buying" would result in a higher total cost to the Government, do not agree to proposed "make items" which are: • Not regularly manufactured or provided by the contractor and are available—quality, quantity, delivery, and other essential factors considered—from another firm, or • Available—quality, quantity, delivery, and other essential factors considered—from another firm at lower prices.

Tasks	Related Standards
5. Determine whether to incorporate an agreement on a make or buy program in the contract.	C5. Incorporate the agreement in contracts for major systems or their subsystems or components, regardless of contract type. Also incorporate the agreement in cost-reimbursement contracts when technical or cost risks justify Government review and approval of changes or additions to the make-or-buy program. If the make or buy program is incorporated, add the clause (if not already in the RFP) at 52.215-21, "Changes or Additions to Make-or-Buy Program."

UNIT 49 SUBCONTRACTING REQUIREMENTS

Part C: Make-Or-Buy Programs

Tasks	Related Standards

UNIT 50 PREPARING AWARDS

September 1998

Make Final Award Decision In FAR Part 14 and FAR Part 15 Procurements

Duty Prepare contract and document the recommendation for award.

Conditions Given a solicitation, amendments to the solicitation, the bid or final offer from the apparently successful offeror, negotiation documentation (if any), and other offers.

Overall Standard(s) The contract is properly prepared and includes all elements for a legal contract. Documentation of the award provides sufficient detail to allow accurate reconstruction of the procurement for immediate review and future reference.

In negotiated procurements, the contract accurately conveys that which was contemplated by the parties (as reflected in the RFP, offer, and negotiation documentation, taken together).

Part B: Prepare Purchase Orders

Duty Prepare purchase orders and document award.

Conditions Given an RFQ, the quotation from the apparently successful vendor, and other quotations (if any).

Overall Standard(s) The purchase order is properly prepared and includes all elements for a legal offer. Keep documentation to a minimum. When other than price-related factors are considered, document the file to support the final award decision. If only one source is solicited, include a note explaining the absence of competition (except for acquisition of utility services available only from one source).

UNIT 50 PREPARING AWARDS

Policies

FAR	*Agency Suppl.*	*Subject*
3.104		Withholding award based on a possible violation of Procurement Integrity Act.
7.306		Awards under cost comparison procedures.
13.001		Definition of Purchase Order.
13.004		Legal affect of quotations.
13.106-3		Award and documentation of simplified acquisitions.
13.302		Purchase orders.
14.103-2 14.407-2		Limitations on awarding as a result of sealed bidding.
14.201-1(c) 14.408-1 15.504		Instructions on preparing and awarding contracts.
14.404-2(k)		Documenting bid rejections.
14.408-1(b)		Procedures when less than 3 bids were received.
14.408-1(c)(5)		Documentation of award.
14.404-1(c) 15.305(b)		Rejecting all offers.
15.308		Source selection decision.
32.702 32.703		Contract Financing.
52.214-10 52.215-1		Contract Award.
52.252-2 52.252-4 52.252-6		Incorporation by reference, alterations, and deviations.

Other KSA's

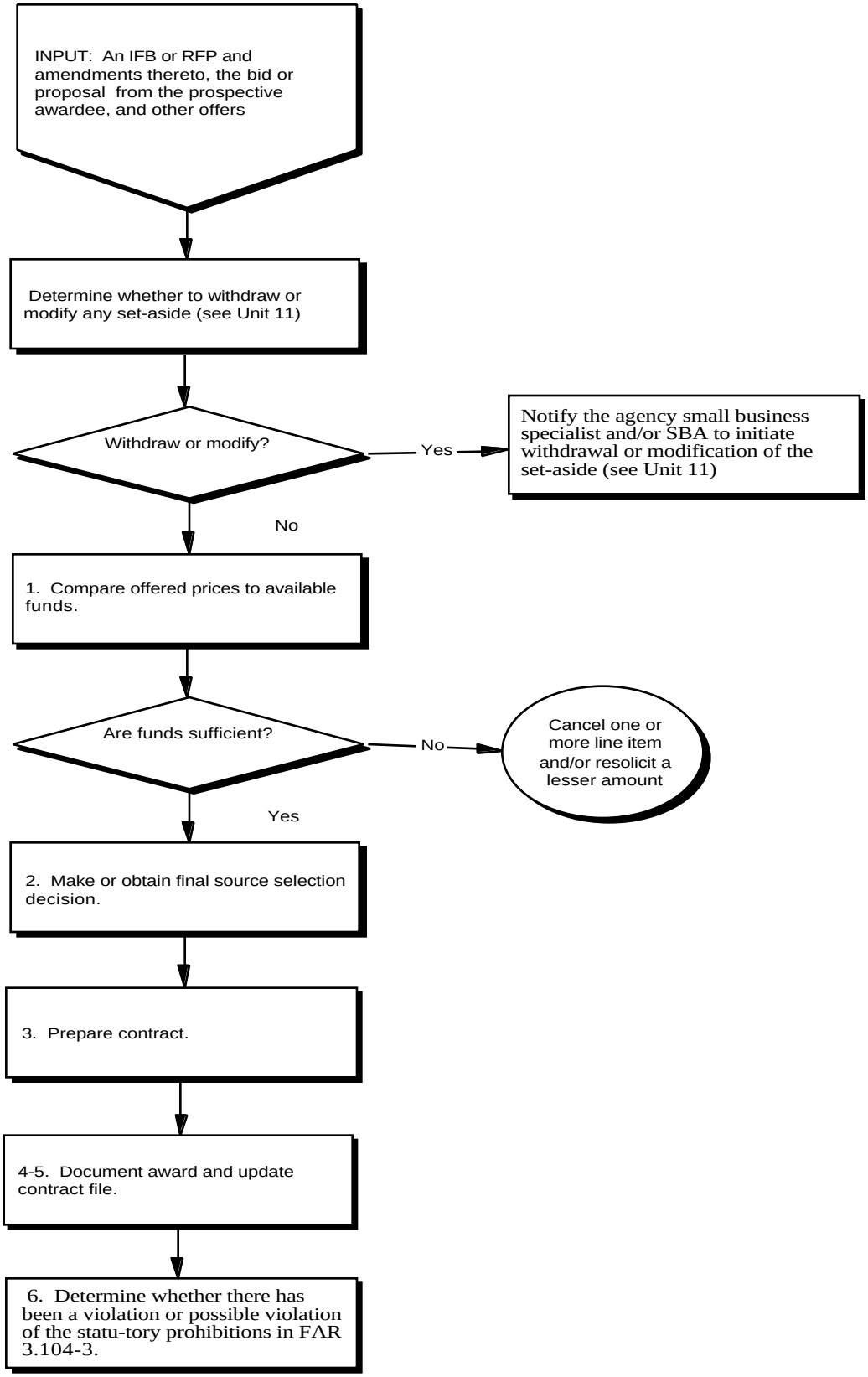
1. Skill at communicating and exercising leadership in preparing and recommending awards (from Organization and Management).

1. Knowledge of Comptroller General decisions and other case law on the role and discretion of the Source Selection Authority in making the final award decision.

3. Knowledge of the nature and elements of enforceable contracts, including requirements with respect to capacity, offer, acceptance, consideration, certainty of terms, and lawful purpose; knowledge of rules and precedents in contract interpretation and skill at drafting contracts that are likely to be interpreted as the Government intends them to be interpreted under those rules and precedents (from Business Law).

Other Policies and References (Annotate As Necessary):

Make Final Award Decision



UNIT 50 PREPARING AWARDS

Part A: Make Final Award Decision In FAR Part 14 and Part 15 Procurements

Tasks	Related Standards
1. Given the offered price of the prospective awardee, ensure that appropriate funding is available.	A1. Match type and availability of funding with obligation. Before executing any contract, obtain written assurance from responsible fiscal authority that adequate funds are available (unless the contract is expressly conditioned upon availability of funds per FAR 32.703). If the contract is conditioned upon the availability of funds, prohibit acceptance of any deliverable until the contracting officer gives written notice to the contractor that funds are available. If additional funding is required and the requiring activity has no additional funds, then consider: · Partial award. · Canceling, modifying, and/or resoliciting.
2. Make or obtain final source selection decision (or reject all offers).	A2. In FAR Part 15.3 source selections, obtain the final decision of the Source Selection Authority (SSA) (or, if functioning as the SSA, make the decision). The SSA may use reports and analysis prepared by others. The source selection decision shall represent the SSA's independent judgement. In sealed bidding, the award recommendation should conform to FAR 14.103-2 and 14.408-1. If less than 3 responses had been received to an IFB, investigate the reasons and recommend corrective actions for future procurements.

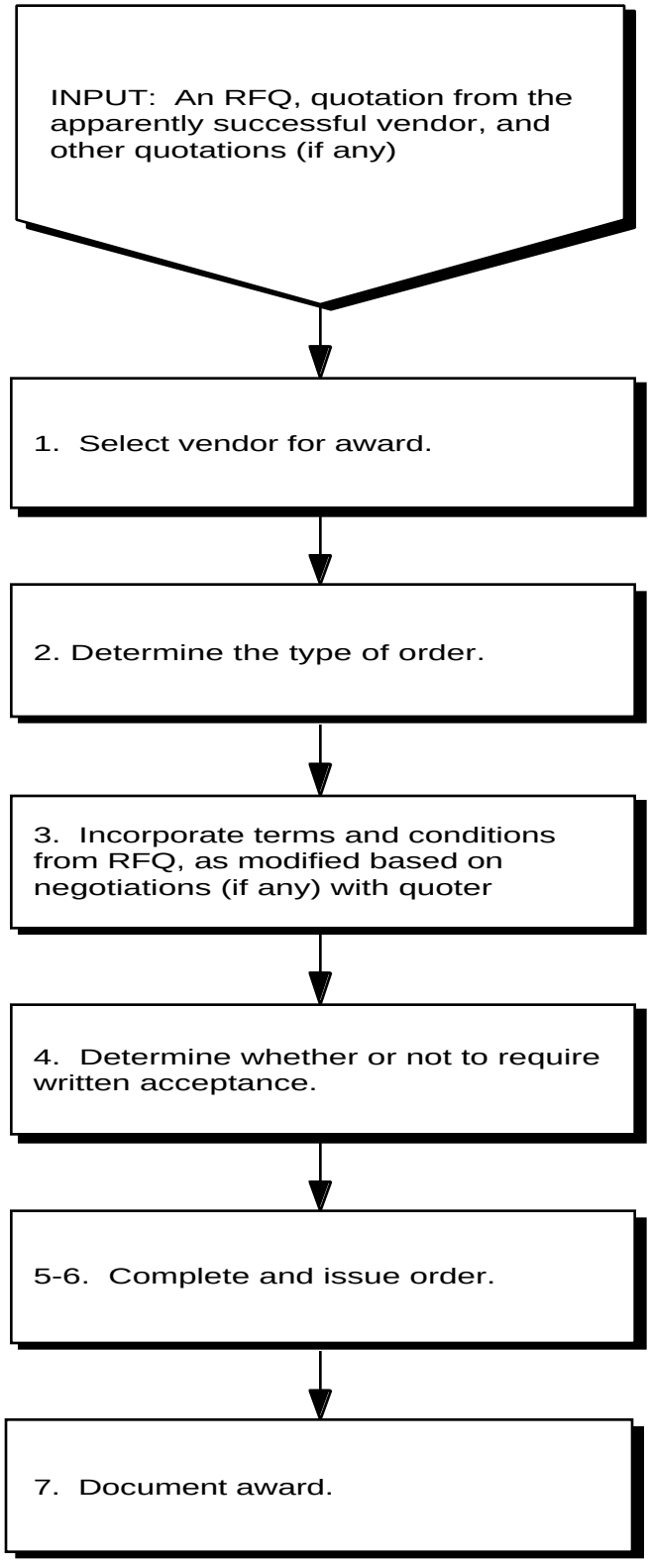
UNIT 50 PREPARING AWARDS

Part A: Make Final Award Decision In FAR Part 14 and Part 15 Procurements

Tasks	Related Standards
3. Prepare contract. Subtasks: · Formulate contract to include elements of the solicitation, amendments thereto, and the bid or final offer. · Establish effective date. · Obtain from the contractor any outstanding certificates or representations required before award. · If an offer from a SF 33 or OF 307 leads to further changes, prepare the resulting contract for bilateral signature on SF 26, Award/ Contract or OF 307, Contract Award.	A3. Include all elements for a legal contract (capacity, offer, acceptance, consideration, certainty of terms, and lawful purpose). Do not physically include Part IV of the IFB/RFP (when using the Uniform Contract Format) but retain Section K in the contract file and incorporate it by reference in the signed contract. If award is being made for only part of the items, state that the Government may make subsequent awards on additional items within the bid/proposal acceptance period. If the award document for a FAR Part 15.3 procurement is other than the OF 307, SF 26 or SF 33, include the acceptance statement from Block 15 of the OF 307 (exclusive of the Item 3 reference language). The award form must include the contracting officer's name, signature, and date
4. Prepare award documentation (particularly if the award is to other than the low bid).	A4. In sealed bidding, award documentation should conform to FAR 14.408-7. Reasons for rejecting lower bids should be in sufficient detail to justify the award. When awarding through FAR Part 15.3 source selection procedures, ensure that the documentation includes the rationale for any business judgments and tradeoffs made or relied on by the SSA, including benefits associated with additional costs. That documentation need not quantify the tradeoffs that lead to the decision. Documentation should conform to requirements in FAR 15.308.

Tasks	Related Standards
5. Obtain approvals for awarding contract. · Contract clearance (if any) · Legal · Requiring activity. · Other required approvals.	A5. Satisfactorily answer all questions raised, correct the contract where necessary, and, if necessary, augment file documentation. Do not award until all required approvals have been obtained.
6. Determine whether there has been a violation or possible violation of the statutory prohibitions in FAR 3.104-3. Subtasks: • Determine whether the violation or potential violation impacts the procurement. • Report the violation or potential violation. • Take any action directed by the HCA or designee.	

PREPARING PURCHASE ORDERS



UNIT 50 PREPARING AWARDS

Part B: Prepare Purchase Orders

Tasks	Related Standards
1. Select vendor for award.	
2. Determine the type of order. Alternatives: · Purchase Order (electronic or paper; for issuance through a Governmentwide certified EDIS or non-EDIS channels). · SF 44. · Government commercial purchase card (when you have authority to use the card above $2,500 for purchasing as well as payment).	
3. Incorporate terms and conditions from the RFQ, as modified based on negotiations (if any) with the quoter(s). Subtasks: · Formulate purchase order to include elements of the RFQ, amendments thereto, and the quotation, as negotiated. · Establish effective date. · Obtain from the contractor any outstanding certificates or representations required before award.	B3. Include all elements for a legal contract (capacity, offer, consideration, certainty of terms, and lawful purpose) — except "acceptance", since that is up to the vendor. Include any trade and prompt payment discounts from the quotation. Each purchase order shall contain a determinable date by which delivery of supplies or performance of services is required.
4. Determine whether or not to require written acceptance of the order by the vendor prior to performance (e.g., bilateral rather than unilateral). · Through a special note, typed or stamped on the face of the purchase order. · Specify a deadline for indicating acceptance.	
5. Complete order.	

Tasks	Related Standards
6. Issue order · By mail or courier. · Electronically.	
7. Document award.	B7. Keep documentation to a minimum. When other than price-related factors are considered, document the file to support the final award decision. If only one source is solicited, include a note explaining the absence of competition (except for acquisition of utility services available only from one source). *Oral solicitations*: Establish and maintain informal records of oral price quotations in order to reflect clearly the propriety of placing the order at the price paid with the supplier concerned (e.g., by showing the names of contacted suppliers contacted and the prices and other terms and conditions quoted by each). *Written solicitations*: Limit written records to notes or abstracts to show prices, delivery, references to printed price lists used, the supplier or suppliers contacted, and other pertinent data. Retain data supporting purchases (paper or electronic) to the minimum extent and duration necessary for management review purposes (see FAR Subpart 4.8) If only one response is received, include a statement in the contract file giving the basis of the determination of fair and reasonable price.

UNIT 51 ISSUING AWARDS & RELATED NOTICES

February 1999

Duty	Award the contract.
Conditions	Given the completed contract and related documentation
Overall Standard(s)	The contract is properly approved, signed, and executed. Make all required notifications.

UNIT 51 ISSUING AWARDS & RELATED NOTICES

Policies

FAR	*Agency Suppl.*	*Subject*
3.104		Withholding award based on a possible violation of Procurement Integrity Act.
4.1		Contract execution.
4.2		Contract distribution.
4.6		Contract reporting.
4.802 4.803(a)		Contract file requirements.
4.9		Reporting contract information to the IRS.
5.3		Synopsis of award.
7.306(a)(4) 7.306(b)		Announcing the results of cost comparisons.
13.106-2(c)		Award under SAT.
14.408		Award in sealed bidding.
14.409		Information to bidders.
15.503 & 504		Notifications.
19.304		Notice to SBA of potential awards to offerors with pending SDB applications.[1]
19.705-6		Notice to SBA when the contract includes a subcontracting plan.
52.204-1z		Approval of the contract.

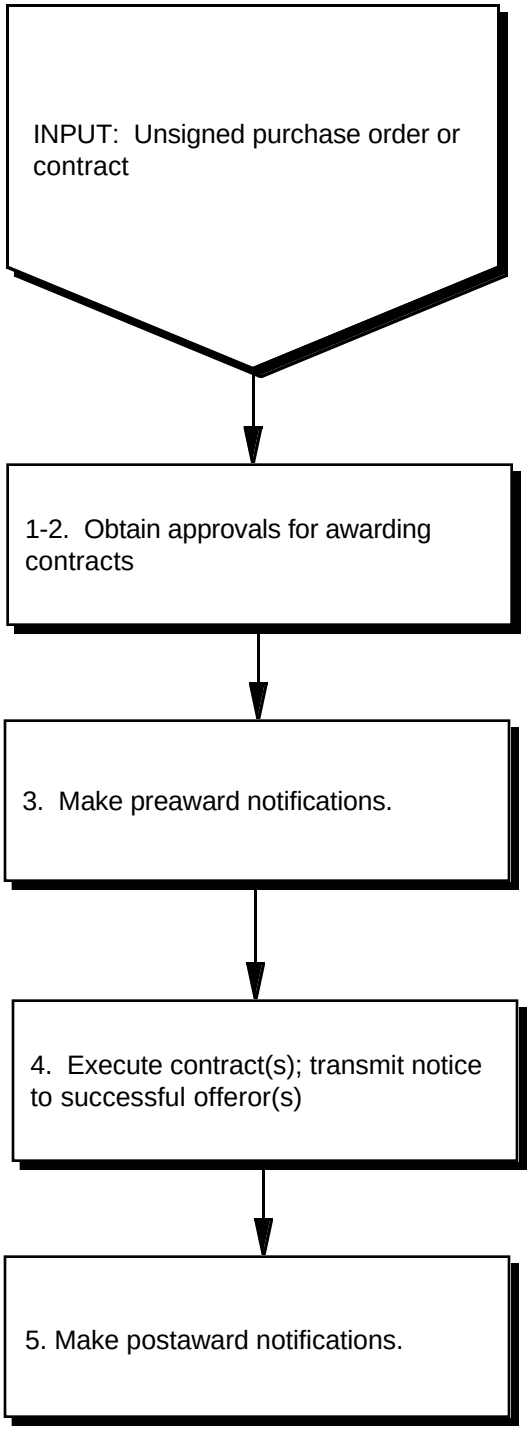
Other KSA's

1. Knowledge of the law of agency, including creation of the agency relationship, scope of authority, duties and liabilities of the agent, fiduciary relationships, and types of agents, in terms of contract execution (from Business Law).

Other Policies and References (Annotate As Necessary):

[1] FAC 97-06.

AWARD


INPUT: Unsigned purchase order or contract
1-2. Obtain approvals for awarding contracts
3. Make preaward notifications.
4. Execute contract(s); transmit notice to successful offeror(s)
5. Make postaward notifications.

UNIT 51 ISSUING AWARDS & RELATED NOTICES

Tasks	Related Standards
1. Make preaward notifications. • Unsuccessful offerors for a small business or HUBZone set-aside. • Unsuccessful offerors when the offeror in line for award benefited from its small disadvantaged business (SDB) or HUBZone status. • SBA of potential awards to offerors with pending SDB applications.[2] • Agency public liaison office.	1. Provide sufficient time to allow challenge of size to the contracting officer or SBA (under FAR 15.503(a)(2)) Provide sufficient time to allow announcement of award by appropriate agency or Congressional official. Comply with FAR 19.304 in terms of providing SBA with a 15 day window to verify the SDB status of an offeror with a pending application — if award must be made within 15 calendar days or if SBA has not responded within that period (unless you elect to extend the window), award as though the offeror is not an SDB. [3]
2. Execute contract(s) or purchase orders and transmit contract, order, or other notice to successful offeror(s).	2. General -- • Executed contracts conform to FAR 4.1 and 14.408 or 15.504. • Make contract award by written or electronic notice within the time for acceptance specified in the offer or an extension. • Furnish the executed contract or other notice of award. For RFPs: If the award document includes information different from the latest signed proposal, as amended by the offeror, both the offeror and the contracting officer should sign.
3. Make postaward notifications: • Requiring activity. • Unsuccessful offerors. • CBD synopsis and public announcements. • SBA, DOL, and other Government agencies. • Input to Federal Procurement Data System (FPDS). • Distribute copies of contract to the contractor(s), paying office, contract administration activity (if the contract administration has been delegated), audit services (if the contract requires audit service), and other such parties.	3. Inform all parties of the award to the extent specified in the FAR. Distribute copies as prescribed in FAR 4.2. Input to the FPDS as prescribed in FAR 4.6. Release the CBD synopsis and public announcements as prescribed in FAR 5.3. Notices to unsuccessful offerors should conform to the requirements of FAR 14.408 or 15.503.

[2] FAC 97-06.
[3] FAC 97-06.

Tasks	Related Standards
4. Update the contract file.	4. Contract file should conform to FAR 4.803. The contract file should stand alone as a complete record of the procurement, capable of being reviewed by others without reference to additional documentation. Suitably number award documents when multiple awards are made.

UNIT 51 ISSUING AWARDS & RELATED NOTICES

Tasks	Related Standards

UNIT 52 MISTAKES IN OFFERS

September 1998

Part A: Pre-Award Mistakes In Bids

Duty

Identify and resolve preaward mistakes in bids.

Conditions

Given the solicitation, the results of price analysis, and bids containing suspected or alleged mistakes.

Overall Standard(s)

All offers selected for award are free of substantial mistakes that would:

- Diminish the Government's power of acceptance or ability to enforce contract, or
- Prejudice the rights of offerors whose offers are fully responsive.

In resolving mistakes, does not give the offeror "two bites at the apple."

Part B: Pre-Award Mistakes In Proposals

Duty

Identify and resolve preaward mistakes in proposals.

Conditions

Given the solicitation, the results of price analysis, and proposals containing suspected or alleged mistakes.

Overall Standard(s)

Correctly identify all discernable "potential" mistakes.

Part C: Mistakes After Award

Duty

Identify and resolve post-award mistakes in offers.

Conditions

Given the solicitation, the results of price analysis, and a mistake alleged by the offeror in line for award.

Overall Standard(s)

All offers selected for award are free of substantial mistakes that would:

- Diminish the Government's power of acceptance or ability to enforce contract, or
- Prejudice the rights of offerors whose offers are fully responsive.

In resolving mistakes, do not give the offeror "two bites at the apple."

UNIT 52 MISTAKES IN OFFERS

Policies

FAR	*Agency Suppl.*	*Subject*
14.407		Mistakes in bids.
15.306(d)(3)		Disclosure of mistakes before awards.
15.508		Discovery of mistakes after award.

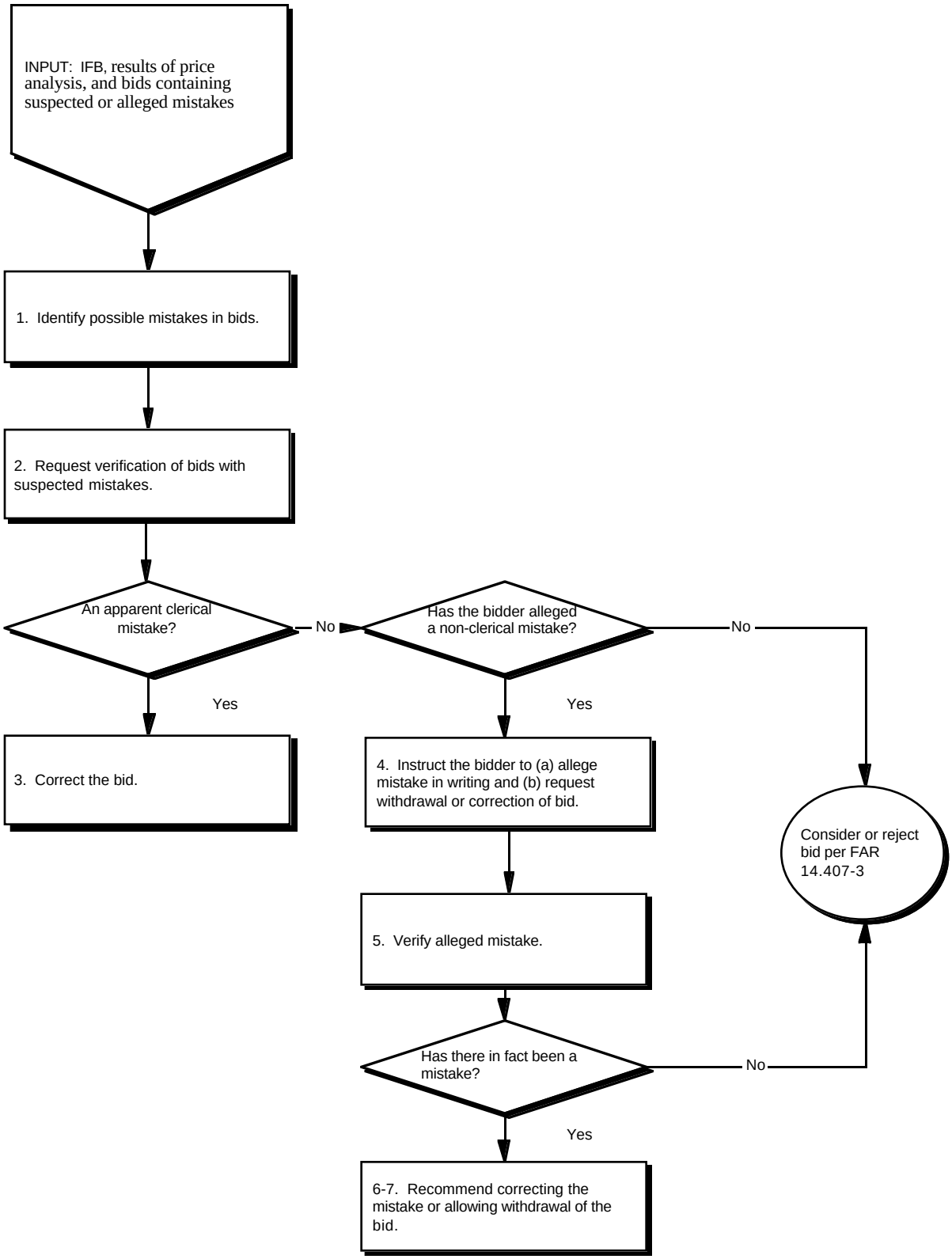
Other KSA's

1. Skill in analyzing and determining the credibility of the contractor's "clear and convincing evidence" submitted to support an alleged mistake.

2. Knowledge of contract law on matters related to assent , including such issues as unilateral mistakes, mutual mistakes, misrepresentation, nondisclosure, fraud, duress, and related remedies (from Business Law).

Other Policies and References (Annotate As Necessary):

Pre-Award Mistakes In Bids



UNIT 52 MISTAKES IN OFFERS

Part A: Pre-Award Mistakes In Bids

Tasks	Related Standards
1. Examine bids for mistakes.	A1. Correctly recognize mistakes that are apparent on the face of the bid itself (e.g., apparent clerical mistakes). Correctly recognize other aspects of the bid that need verification (e.g., extremely low or high price relative to other bids and the Government's estimate).
2. Request verification of bids with suspected mistakes. Subtasks: • Contact bidder. • Identify and ask bidder to explain the passage in his/her bid containing the possible error. • Put the bidder on notice of the suspected mistake: - Inform the contractor if "a bid is so much lower than the other bids or the Government estimate as to indicate the possibility of error." - Remind the bidder "of important or unusual characteristics of the specifications," "changes in requirements from previous purchases," or of amendments that may have lead to a mistake in bid. • If the bidder stands by the bid, request written verification of the bid as it stands.	A2. Avoid violation of Anti-Deficiency Act. Incorporate the clause at 52.232-18 when the conditions at FAR 32.703-2(a) are met. Incorporate the clause at 52.232-19 when the conditions at FAR 32.703-2(b) are met.
3. For apparent clerical mistakes, instruct the bidder to provide verification of the bid and correct the bid by attaching the verification to the bid.	
4. If bidder alleges a mistake other than an apparent clerical error, instruct the bidder to (1) allege the mistake in writing and (2) request withdrawal or correction of the bid. Also require submission of any necessary evidence of the mistake.	A4. Contractor's evidence must be sufficient to determine the existence of a mistake. Examples: • Written assertion of apparent clerical mistakes. • For other suspected mistakes, evidence might include: - Certified copies of work papers and other data used in preparing the bid. - Copies of subcontractor and supplier quotes. - Published price lists. - Comparison of line items.

UNIT 52 MISTAKES IN OFFERS

Part A: Pre-Award Mistakes In Bids

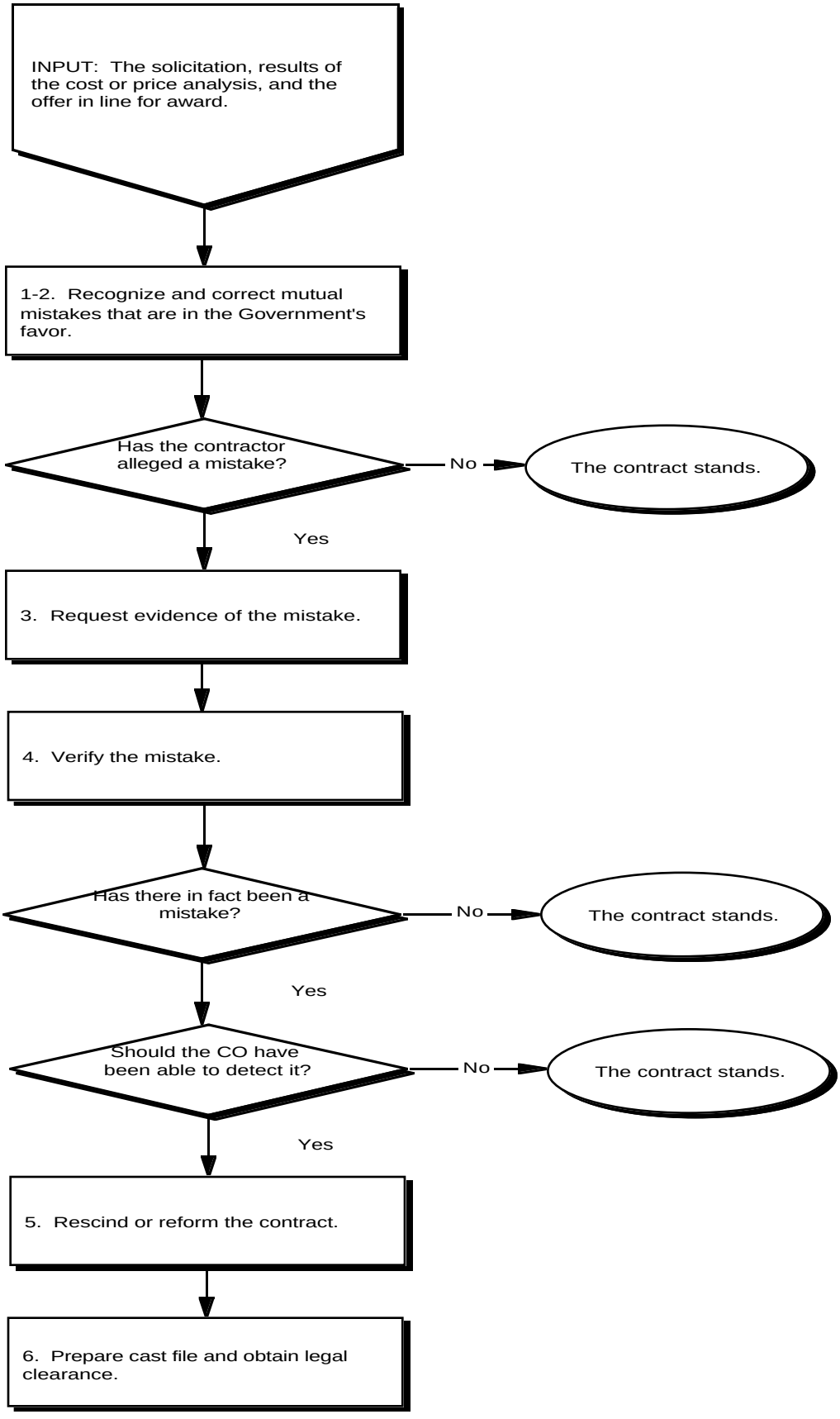
Tasks	Related Standards
5. Determine whether there has in fact been a mistake. Subtasks: • Obtain any necessary reviews from technical personnel, the legal office, etc. • If bidder fails to provide sufficient or any evidence of an alleged mistake or to verify a suspected mistake or verifies the bid "as is", accept bid or reject bid. If accepted, use the original, uncorrected bid.	A5. Reject bids that are so out of line with the amounts of other bids received or with the amount estimated by the agency or determined by the contracting officer to be reasonable or if there are other indications of error so clear, as to reasonably justify the conclusion that acceptance of the bid would be unfair to the bidder or to other bona fide bidders.
6. If there has been a mistake, determine whether the intended price can be calculated from available evidence. • If the price cannot be calculated, recommend allowing withdrawal of the bid to the agency head or designee. • If the price can be calculated, recommend correcting the mistake (if the corrected bid would displace one or more of the lower bids or remain the lowest bid) and denying any request for withdrawal.	
7. Prepare recommendation to the agency head or designee.	A7. Submit recommendations to the agency head or designees provided in FAR 14.407-3(g)(3). Prepare recommendations per FAR 14.407-3(g)(3).

UNIT 52 MISTAKES IN OFFERS

Part B: Pre-Award Mistakes In Proposals

Tasks	Related Standards
1. Identify and correct minor clerical errors.	
2. Identify and correct other suspected mistakes in the course of discussion.	
3. If there is a decision to award without discussions, handle a mistake following the same procedure as a preaward mistake in bid (Part A).	B3. No correction made based on evidence outside the proposal, unless discussions are held with all offerors in the competitive range.

Post-Award Mistakes In Offers



UNIT 52 MISTAKES IN OFFERS

Part C: Mistakes After Award

Tasks	Related Standards
1. Recognize mutual mistakes on the face of the offer. Examples: • Differences in quantity between solicitation as amended and offer. • Wrong point of delivery (i.e., FOB destination in offer, when solicitation as amended specified FOB origin).	
2. Modify (see Unit 58) the contract to correct mutual mistakes on the face of the offer that are in the Government's favor.	
3. If the contractor alleges a mistake, request evidence of the mistake. Examples: • Written assertion of apparent clerical mistakes. • For other suspected mistakes, evidence might include: - Certified copies of work papers and other data used in preparing the offer. – Copies of subcontractor and supplier quotes. - Published price lists. - Comparison of line items.	
4. Determine whether there has in fact been a mistake and if the C.O. should have been able to detect it.	C4. Obtain any necessary reviews from technical personnel, the General Counsel's office, etc. If the offeror fails to provide sufficient or any evidence of an alleged mistake or that a reasonable person should have recognized it, the contract stands. Do not rescind or reform the contract unless the evidence clearly indicates a mutual mistake or a unilateral mistake by the contractor so apparent as to have charged the contracting officer with notice of the probability of a mistake.

UNIT 52 MISTAKES IN OFFERS

Part C: Mistakes After Award

Tasks	Related Standards
5. If a mistake is verified, establish the correct price and determine whether to: • Rescind the contract and resolicit, or • Reform (see Unit 58) the contract.	C5. Correctly calculate the intended price, given data from all evidence submitted by the contractor. Rescind the contract if the corrected price exceeds the next lowest acceptable (i.e., responsive offer from a responsible offeror) or if the intended price cannot be determined. Prepare the case file in accordance with FAR 14.407-4(e)(2). Reform the contract to (i) delete the items involved in the mistake or (ii) increase the price, if the contract price, as corrected, does not exceed that of the next lowest acceptable bid under the original IFB.
6. Prepare case file and obtain legal clearance of decision before issuance.	C6. Prepare the case file in accordance with FAR 14.407-4(e)(2).

UNIT 52 MISTAKES IN OFFERS

Part C: Mistakes After Award

Tasks **Related Standards**

UNIT 53 PROTESTS

February 1999

Part A: Agency Protests

Duty Develop and forward a position on a protest to the agency. Prepare a memorandum for record to document resolution of the protest.

Conditions Given a protest before or after award, the protested offer, all other offers (if after award), the solicitation, the contract file (including the PNM, if any), and support from the agency's legal staff.

Overall Standard(s) Procure requirement in the most timely and efficient manner, given the protest. Meet all FAR, agency, and other procedural requirements. Include all relevant facts and provide factually correct data. Memorandum for record must meet the "test of sufficiency" (i.e., applying the reasonable man doctrine, a reader could reconstruct the protest and its resolution).

Part B: Protests to GAO

Duty Prepare the protest file and forward the file, along with other required information, to the GAO. Prepare a memorandum for record to document resolution of the protest.

Conditions Same as Part A.

Overall Standard(s) Procure requirement in the most timely and efficient manner, given the protest. Meet all FAR, GAO, agency, and other procedural requirements. Include all relevant facts and provide factually correct data. Memorandum for record must meet the "test of sufficiency" (i.e., applying the reasonable man doctrine, a reader could reconstruct the protest and its resolution).

Part C: Protests to the Courts

Duty Prepare an affidavit and memorandum of facts.

Conditions Given a court filing, the contract file (including the PNM, if any), and support from the agency's legal staff.

Overall Standard(s) Provide all relevant facts and provide factually correct data. Implement the court's decision.

UNIT 53 PROTESTS

February 1999

Part D: Protests to SBA of Eligibility for a Set-Aside or Small Business Preference

Duty	Develop or forward a protest to SBA.
Conditions	Given a solicitation with a set-aside for small business concerns or small disadvantaged business concerns, the offer in line for award, data from market research or acquisition histories on the prospective awardee, and/or a protest from another party with regard to the awardee's size status. Given a solicitation with a set-aside or preference for small disadvantaged business concerns, the offer in line for award, data from market research or acquisition histories on the prospective awardee, and/or a protest from another party with regard to the awardee's size status.
Overall Standard(s)	Unless necessary to protect the public interest, do not award to offerors which falsely represent themselves as eligible for a small business or small disadvantaged business set aside or other preference. Determine whether to initiate action as provided in FAR 19.301(d) absent SBA action against a business entity that has misrepresented its eligibility.

UNIT 53 PROTESTS

Policies

FAR	*Agency Suppl.*	*Subject*
15.507		Protests against award.
19.101 and 102		Size standards.
19.301		Representation by the offeror of status as a small business concern.
19.302		Protesting a small business representation.
19.305		Protesting representation as a small disadvantaged business concern for the purpose of obtaining a price adjustment under FAR 52.219-23.[1]
19.306		Protesting representation as a HUBZone small business concern
33.1		Protests.
52.219-1		Representation as a small business concern, HUBZone small business, small disadvantaged business concern, or as a women-owned small business.
52.219-22		Representation of status of current or pending consideration as a small disadvantaged business concern for the purpose of obtaining a price adjustment under FAR 52.219-23.
52.233-2		Service of protest.
52.233-3		Protest after award.

[1] FAC 97-06.

UNIT 53 PROTESTS

Other KSA's

1. Knowledge of the small business thresholds in accordance with SBA size standards.

2. Knowledge of what is considered an "interested party" for the purposes of FAR.

3. Comprehension of agency/GAO/FAR standards for protests.

4. Ability to research previous GAO decisions and case law on protests.

5. Knowledge of typical issues in protests.

6. Samples of well prepared "findings of fact."

7. Knowledge of penalties for falsifying affidavits and memoranda of facts.

8. Knowledge of the role of the Claims court (pursuant to 28 U.S.C. §1491(a)(1)) and District court (pursuant to 5 U.S.C. §702 and 28 U.S.C. §1346(2)) in protest resolution

- Who may protest (e.g., persons with implied contract for good faith consideration of offer in the case of the court of claims).
- Jurisdiction.
- Time of protest.
- Procedure.
- Burden of proof.
- Standard of review.
- Interim remedies.
- Remedies.
- Appeals.

9. Definitions for “day” and “filed.”

“*Day*” is expressly defined as meaning “calendar” day, unless otherwise specified. To calculate a period of time, start the clock on day two after the “act, event, or default from which the designated period of time begins to run”. Stop the clock one day after the end of the period, unless:

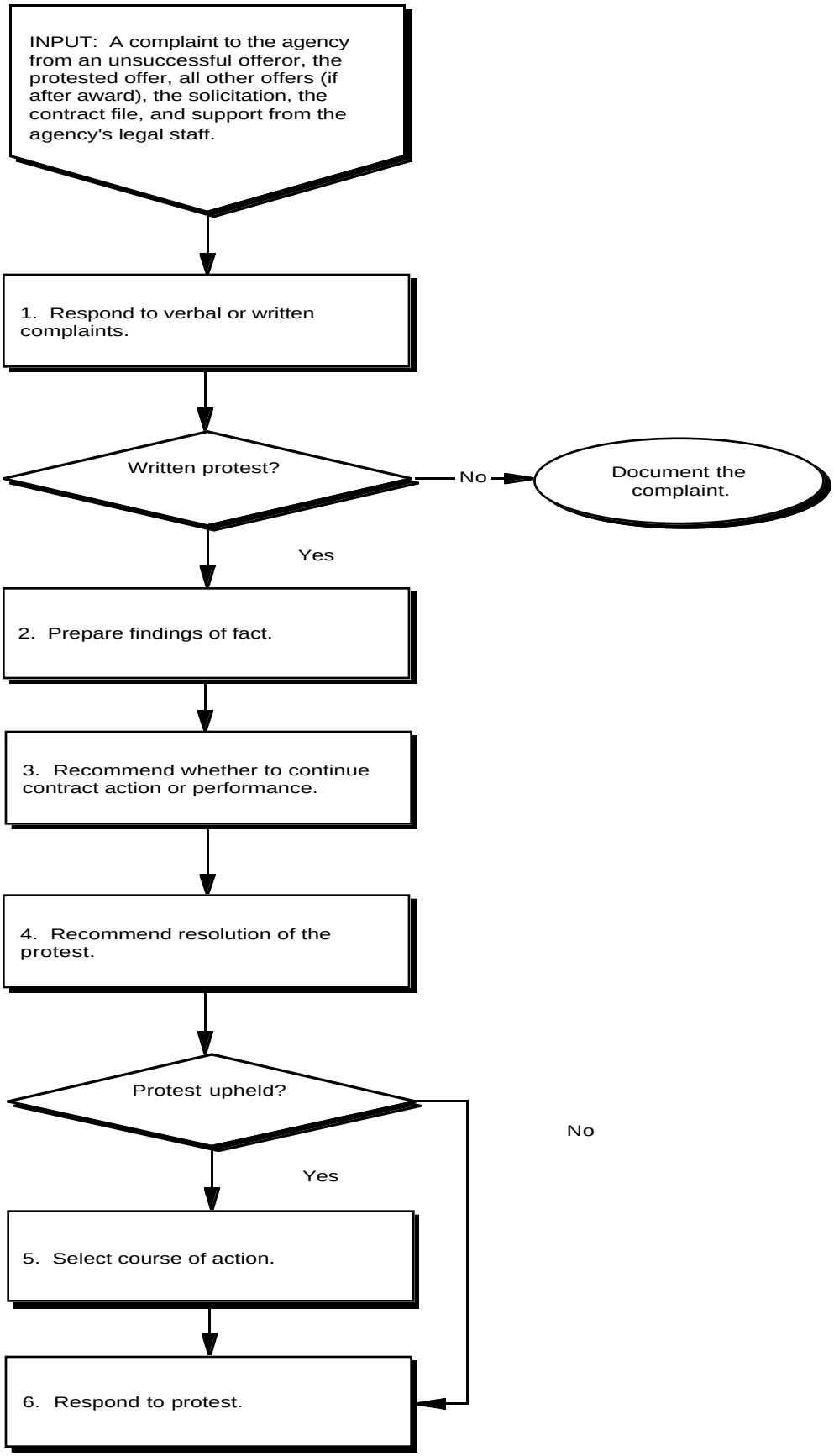
- That day is a Saturday, a Sunday, or a legal holiday (in which case, carry the period over to the next business day); or
- In the case of a filing of a paper at any appropriate administrative forum, that day is a day on which weather or other conditions causes the closing of the forum for all or part of the day. In that case, stop the clock on the very next day that the administrative forum opens its doors for business.

“*Filed*” with the agency means the complete receipt of any document by an agency before its close of business. Documents received after close of business are considered filed as of the next day. Unless otherwise stated, the agency close of business is presumed to be 4:30 p.m. local time. “Filed” with the GAO means the receipt by GAO by 5:30 p.m., eastern time. [4 CFR §21.0]

These definitions are critical in determining whether a protest is timely or not, as well as in determining other timeframes for actions by interested parties and the protest forum. [§33.101]

Other Policies and References (Annotate As Necessary):

Part A: Agency Protests



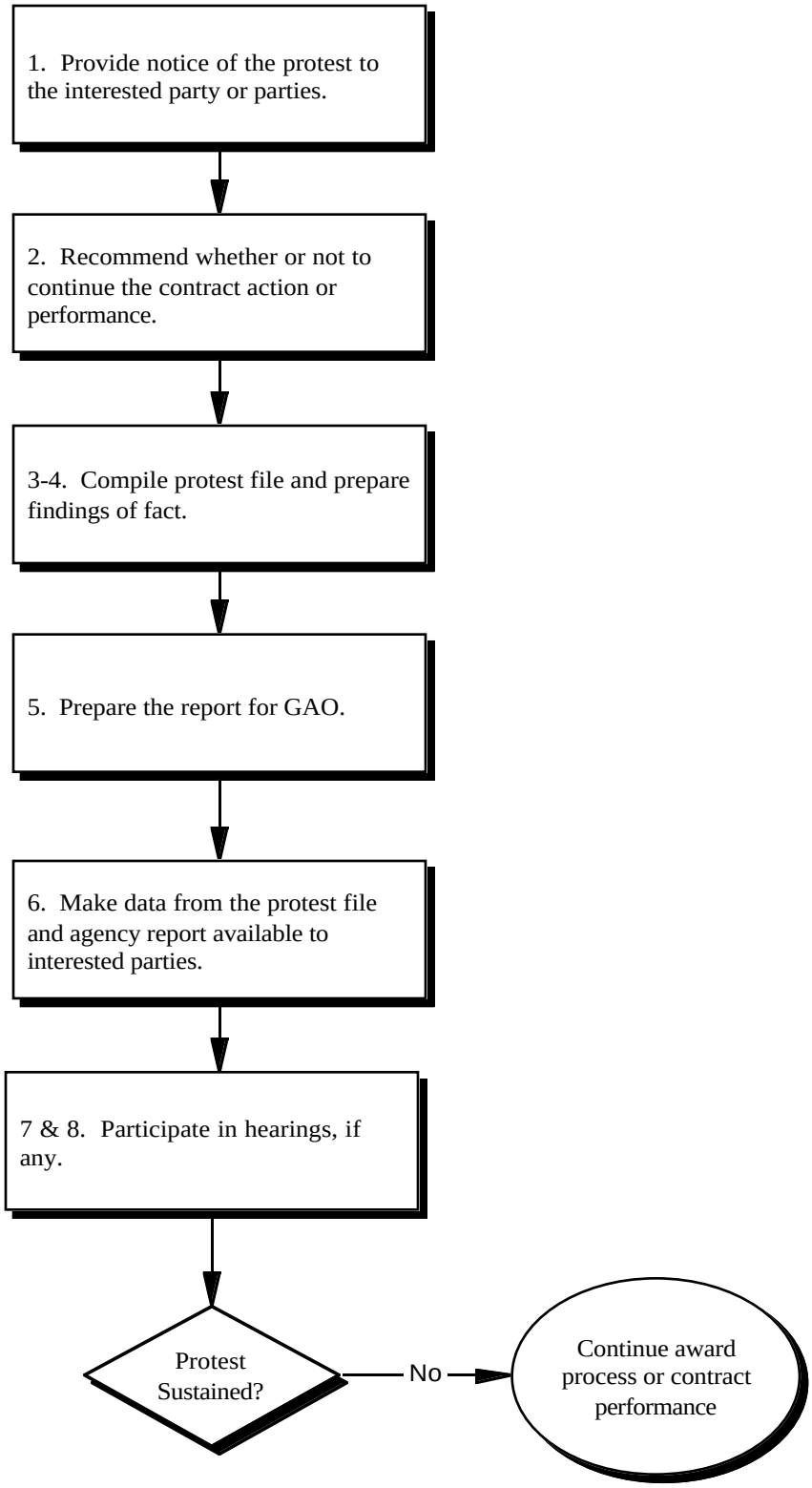
UNIT 53 PROTESTS

Part A: Agency Protests

Tasks	Related Standards
1. Respond to a verbal complaint about the acquisition. • Ask questions to clarify the complaint. • Explain the Government's version of the facts. • Where necessary, break conversation for fact-finding. • Advise the contractor of the procedure for submitting a written protest.	A1. Provide accurate data and only that information which is directly relevant to the complaint. Only disclose data that would be available to the vendor under the Freedom of Information Act. Do not disclose data that would give the firm an unfair competitive edge in the current or future procurements. Correctly advise the complainant of requirements in FAR 33.103(d) for submitting written protests.
2. If a written protest is received, prepare findings of fact. • Determine whether protest is timely. • Recognize claimed basis for protest (issues). • Determine whether protest is factually correct. • Determine whether the protest satisfies the requirements of FAR 33.103(d).	A2. Make correct determinations on matters of fact. To be timely, a protest of alleged improprieties in a solicitation which are apparent prior to bid opening date or RFP's closing date shall be filed prior to that date. In all other cases, protests must be filed not later than 10 days after the basis of the protest is known, or should have been known. However, an agency may consider an untimely protest.
3. Recommend whether or not to continue the contract action or performance. • If the protest was filed prior to award, recommend whether to proceed with award or delay award (based on potential injury to the Government). • If the protest was filed after award only with the agency, determine whether to suspend or terminate contract performance pending the outcome of the protest.	A3. Only proceed with award if the CO determines, in writing, that: • The supplies or services are urgently required, or • Award otherwise would be in the Government's best interests. If award will be withheld pending disposition of the protest, notify all offerors which appear to have a reasonable prospect of receiving award and secure extension of the Government's power of acceptance (i.e., no cost extension of offers) per Unit 31.
4. Recommend resolution (or refer to protest control office for resolution). • Research and identify the most recent and pertinent Comptroller General decisions/cases. • Decide whether to deny or uphold the protest.	A4. Your recommendation should be factually correct, validly derived from the facts, and reflect the most recent and pertinent Comptroller General decisions. Findings of fact and recommendations, taken together, should meet the procedural requirements of FAR Part 33 and agency policies.

Tasks	Related Standards
5. If the decision is to uphold the protest, select course of action. • Preaward: - Amend solicitation (prior to opening). - Cancel solicitation and resolicit. - Make correct award. • Postaward: - Cancel the contract (per Unit 83). - Terminate for convenience (per Unit 83). - Sustain the award.	A5. Meet procedural requirements of FAR, Part 33. Only suspend or terminate contract performance if (1) the award will probably be invalidated and (2) the delay in delivery will not harm the Government's interests.
6. Respond to protest.	6. Furnish a copy of the protest ruling by certified mail return receipt requested or by any other method that provides evidence of receipt.

Part B: Protests to GAO



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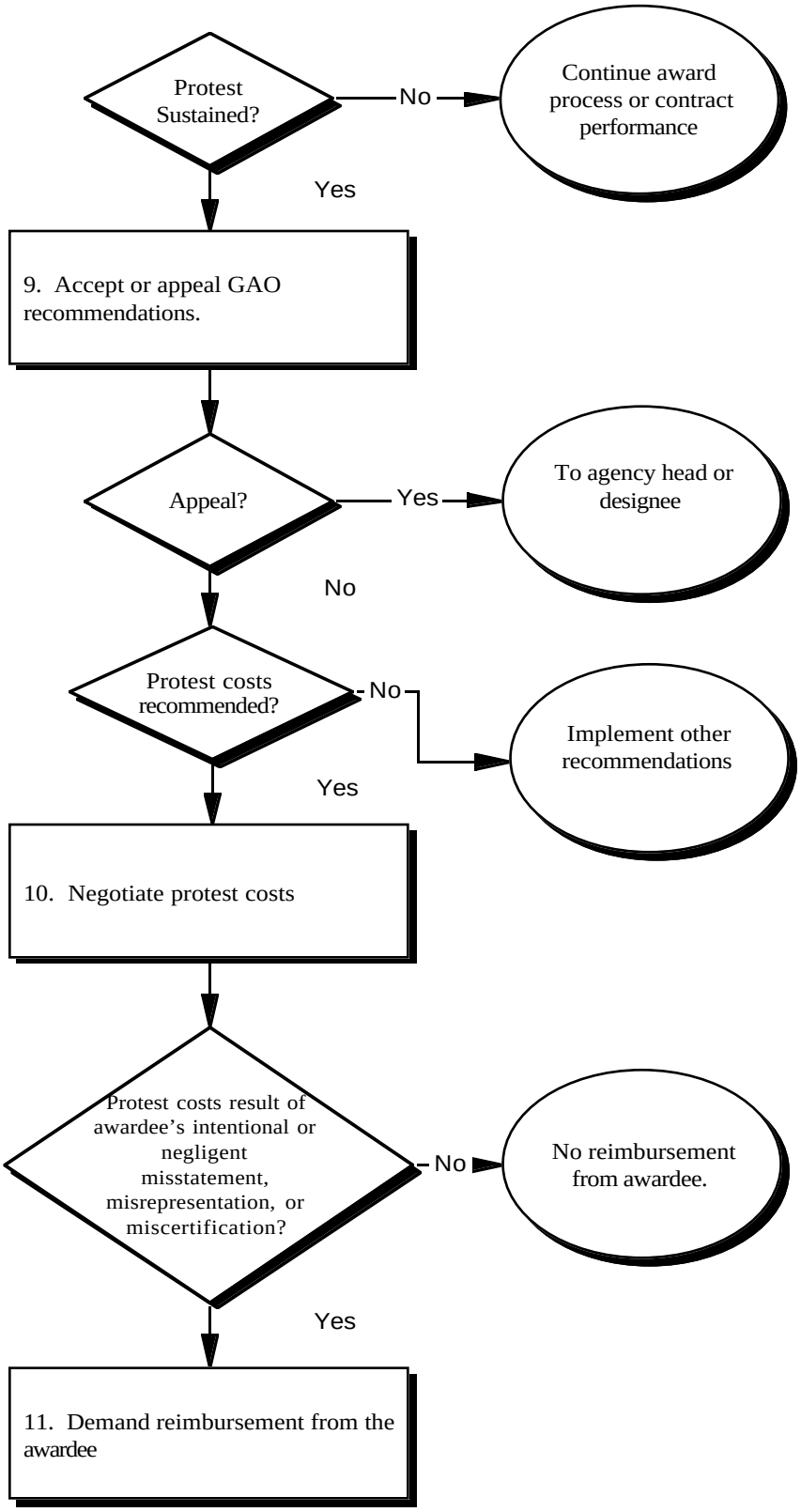
Part B: Protests to GAO

Flowchart Continued From Prior Page



UNIT 53 PROTESTS

Part B: Protests to GAO

Tasks	Related Standards
1. Provide notice of the protest to the interested party or parties. • If award has been made, notify the contractor. • If award has not been made, (1) notify all offerors who appear to have a reasonable prospect of receiving award and (2) secure extension of the Government's power of acceptance (i.e., no cost extension of offers) per Unit 31.	B1. Give notice immediately after its receipt by the agency. Furnish copies of the protest to the party(ies). Instruct the party(ies) to (1) communicate directly with GAO and (2) provide copies of any such communication to the agency and the other known participating parties. Note that funds will remain available for obligation for 100 days after the date on which the final ruling is made on the protest. Furnish a "redacted" version of the protest to other interested parties when the protester has requested a protective order for "sensitive" material therein. The protester is responsible for preparing the "redacted" version and furnishing that version to GAO.

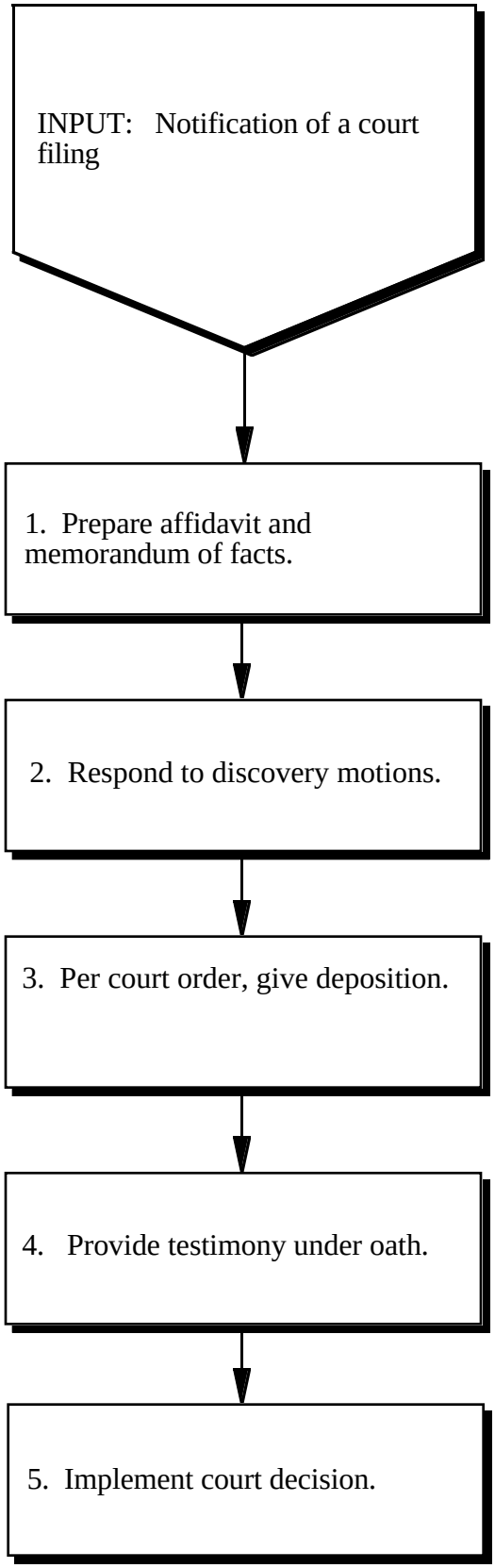
Tasks	Related Standards
2. Recommend whether or not to continue the contract action or performance. • If the protest was filed prior to award, recommend whether to proceed with award or delay award (based on potential injury to the Government). • If the protest was filed after award only with the agency, determine whether to suspend or terminate contract performance pending the outcome of the protest.	B2. Do not award pending outcome of the protest unless the head of the contracting activity finds in writing that (a) urgent and compelling circumstances which significantly affect the interest of the U.S. will not permit waiting for a GAO decision and (b) award is likely to occur within 30 calendar days of the written finding. If notice of protest is received within 10 calendar days after award[1], suspend or terminate the contract, unless the head of the contracting activity finds in writing that (a) contract performance will be in the best interest of the U.S. or (b) urgent and compelling circumstances which significantly affect the interest of the U.S. will not permit waiting for a GAO decision. Also suspend or terminate the contract, absent an HCA finding to the contrary, if you if you receive notice of a protest from the GAO within 5 days after the debriefing date offered to the protester if (1) the protester asked for a debriefing and (2) the Government was required to provide the requested debriefing. Do not award or authorize performance prior to notifying GAO. Provide written notice to the protester and other interested parties of any determination to award or continue performance. If immediately prior to award, you believe that the likely protester has good reason for a protest and that the likely protest should be sustained, consider immediate corrective action at the agency-level (e.g., cancel and resolicit rather than award).

[1]If the protest is not timely, you may still suspend or terminate if the CO believes that the award may be invalidated and if delay will not be prejudicial to the Government's interests.

Tasks	Related Standards
3. Compile the protest file. Include as part of the protest file: • An index of all documents. • The protest. • The offer of the protesting offeror and the offer being considered for award or protested. • The solicitation, including specifications or portions relevant to the protest. • All relevant evaluation documents. • Abstract of offers or relevant portion. • Any other relevant documents, including documents specifically requested by the protestor.	
4. Prepare findings of fact . • Determine whether protest is timely. • Recognize claimed basis for protest (issues). • Determine whether protest is factually correct.	B4. Interested parties may protest cancellations of solicitations. Interested parties also may protest cancellation or termination of award, if the protester alleges in writing that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract.
5. Prepare the report for GAO. In addition to the protest file, prepare and forward as part of the report to GAO— • The contracting officer's signed statement of the relevant facts (i.e., findings of fact, actions taken, recommendations, and any additional evidence or information necessary to determine the protest's merit). • A memorandum of law. • List of other parties receiving a copy of the report. • List of documents withheld from the protester and other interested parties (annotated to identify any specifically requested by the protester) and reasons for withholding.	B5. In preparing and forwarding the report, comply with FAR 33.104(a)(3). Also keep GAO apprised of the name, title, and phone number of agency official(s) knowledgeable about the protest's subject matter.

Tasks	Related Standards
6. To the extent permitted, make data from the protest file and agency report available to interested parties. • Redact information exempt from disclosure under 5 U.S.C. 552. • Identify other data to withhold from requestors and document the reasons for withholding. Reasons for withholding may include (among others): – Document was already furnished to or prepared by the party. – Data are classified. – Data would give the party a competitive advantage. – Protester's' documents withheld from other interested parties pursuant to law or regulation. • Respond to requests from the protestor for specific documents received prior to submission of the agency report to GAO. At least 5 days prior to the filing of the report, provide to all parties and the GAO a list of those documents, or portions of documents, that the agency has released to the protester or intends to produce in its report, and those documents that the agency intends to withhold from the protester and the reasons for the proposed withholding. • Provide copies of the agency report to the protester and any intervenors. • Respond to requests for access to the protest file from other actual or prospective offerors. • If the protester requests additional documents, provide the requested documents to the GAO within 2 days of receipt of the request. Also provide the additional documents to the protester and other interested parties within this 2-day period unless the agency has decided to withhold them for any reason.	B6. For documents covered by a GAO protective order, only furnish copies as provided in that order. Make the protest file reasonably available to non-intervening actual or prospective offerors within a reasonable time after submittal of an agency report to the GAO. If the GAO dismisses the protest before the documents are submitted to the GAO, then no protest file need be made available. Only honor a protester's post-agency report request for additional documents if requested within two days after the protester knew the existence or relevance of additional documents, or should have known of their existence. Notify the GAO of any documents withheld from the protester and other interested parties and state the reasons for withholding them.
7. Participate in hearings, if any, scheduled by GAO.	B7. Prepare comments necessary on the he
8. Prepare comments on the hearing.	B8. File comments within 7 days of the hearing.

Tasks	Related Standards
9. Upon receipt of GAO's recommendation: • Accept and implement the recommendation, or • Appeal to the head of the agency or his/her designee. Recommendations may include: • No exercise of options. • Termination. • Recompetition. • New solicitation. • Award consistent with statute and regulation. • Other.	B9. Appeal only when (1) the case is solid and (2) the requiring activity is willing to present and defend "magnitude of injury" or protests costs appear unreasonable. File a report with the Comptroller General within 65 days of receipt of GAO's recommendation if the agency has not fully implemented the GAO recommendations.
10. Negotiate protest costs.	B10. If applicable, do not exceed limits on attorney fees, consultant fees, or expert witness fees. Contractors may NOT include any paid protest costs in subsequent proposals, billings, or claims against the Government. Reflect those exclusions in the cost agreement.
11. Demand reimbursement from the awardee of protest costs to the extent those costs resulted from the awardee's intentional or negligent misstatement, misrepresentation, or miscertification. Subtasks: • Determine whether to demand reimbursement of such costs. • If the contracting officer's decision is to demand reimbursement, notify the contractor in writing of the nature and amount of the debt, and the intention to collect by offset if necessary. • Prior to issuing a final decision, afford the contractor an opportunity to (a) inspect and copy related agency records to the extent permitted by statute and regulation and (b) request review of the matter by the head of the contracting activity. • Determine whether to recover costs by offset against the contract, another contract with the awardee, or by other available means.	B11. Correctly determine whether a post award protest was sustained as the result of an awardee's intentional or negligent misstatement, misrepresentation, or miscertification. Accurately calculate the amount of the protest cost paid by the Government that resulted from such misstatement, misrepresentation, or miscertification (vs. that amount, if any resulting from other causes).

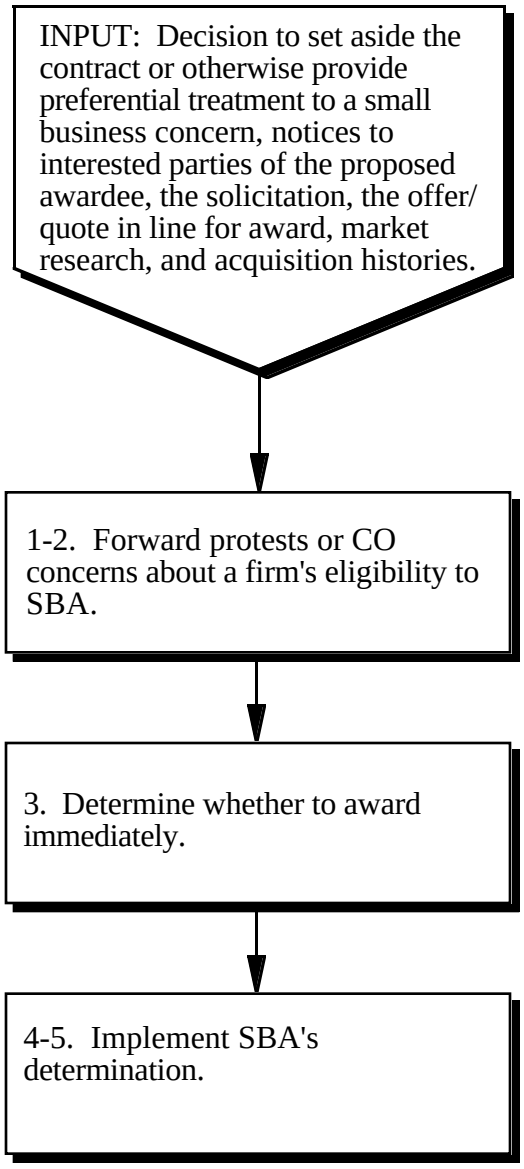

INPUT: Notification of a court filing
1. Prepare affidavit and memorandum of facts.
2. Respond to discovery motions.
3. Per court order, give deposition.
4. Provide testimony under oath.
5. Implement court decision.

UNIT 53 PROTESTS

Part C: Protests to the Courts

Tasks	Related Standards
1. Upon notification of court filing (temporary restraining order; preliminary and/or final injunction), prepare affidavit and memorandum of facts (equivalent to findings of fact).	
2. Respond to discovery motions for written records (including justification for withholding of any data).	
3. Per court order, give deposition (under oath, responding to examination from plaintiff's attorney).	
4. Provide testimony under oath, as directed by the judge.	
5. Implement the court's decision	

Protests to SBA of Eligibility for a Set-Aside Or Small Business Preference



UNIT 53 PROTESTS

Part D: Protests to SBA of Eligibility for a Set-Aside or Small Business Preference

Tasks	Related Standards
1. Prepare notices to interested parties identifying proposed awardee (for negotiated procurements).	D1. Notices should be prepared and distributed per agency policy.
2. Forward to SBA the name of any offeror (or subcontractor) which represented itself as "small business", a "small disadvantaged business", a "women-owned small business", or a HUBZone small business concerns but is questionable. • By the Contracting Officer (based on market research and acquisition histories, per Unit 5). • By unsuccessful offerors or other interested parties (e.g., the contractor, with respect to a subcontractor) for other than sole source HUBZone awards.	D2. Accept no protest from other interested parties unless made within 5 business days after public opening or within 5 business days after issuing the preaward notification (see Unit 51). Protests must be in writing (although a written protest can be accepted if it is postmarked no later than one business day after an oral protest that has been tendered within the 5 day period). Do not accept premature protests of HUBZone business status. Do not accept premature protests of small disadvantaged for the purposes of FAR 52.219-23. Forward the information required by FAR 19.305.[1]
3. Determine whether to withhold award pending outcome of the protest. • Withhold award for at least 10 business days for protests of small business status (or until SBA renders its verdict, whichever comes first), or • Prepare determinations to award immediately. - Notify SBA of award. - Notify protesters.	D3. Award immediately if the awardee is not in question or if necessary to protect the public interest. Otherwise, withhold award as long as practical pending receipt of SBA's determination. Withhold award for 15 business days when the protest is of small disadvantaged business status for the purposes of FAR 52.219-23 or of HUBZone status. If no answer within 15 days, you may award (or grant SBA an extension). [2]
4. Implement or appeal the SBA recommendation.	
5. Initiate action under section 16(d) of the Small Business Act (see 13 CFR 124.6) if a business entity has misrepresented itself to obtain a set-aside or an 8(a) contract.	D5. Per FAR 19.301(d).

[1] FAC 97-06.
[2] FAC 97-06.

UNIT 53 PROTESTS

Part D: Protests to SBA of Eligibility for a Set-Aside or Small Business Preference

Tasks	Related Standards

TAB D5

CONTRACT ADMINISTRATION

TAB D5

UNIT 54 CONTRACT ADMINISTRATION PLANNING

September 1998

Duty	Develop a contract administration plan and instruct Government personnel on their roles.
Conditions	Given the contract and contact with technical and other support personnel.
Overall Standard(s)	Plan provides for the review, evaluation, and judging of contractor's performance in critical areas. Roles of contracting officer representatives and other support personnel are properly and clearly defined.

UNIT 54 CONTRACT ADMINISTRATION PLANNING

Policies

FAR	*Agency Suppl.*	*Subject*
4.8		Government contract files.
37.602-2		Quality assurance surveillance plans for services.[1]
42.002		Interagency agreements for contract administration support.
42.1		Contract audit services.
42.2		Assignment of contract administration.
42.3		Contract administration office functions.
42.6		Corporate administrative contracting officers.
42.11		Production surveillance and reporting.
46.408		Single agency assignments of Governmentwide contract quality assurance.
47.105		Transportation assistance.

Other KSA's

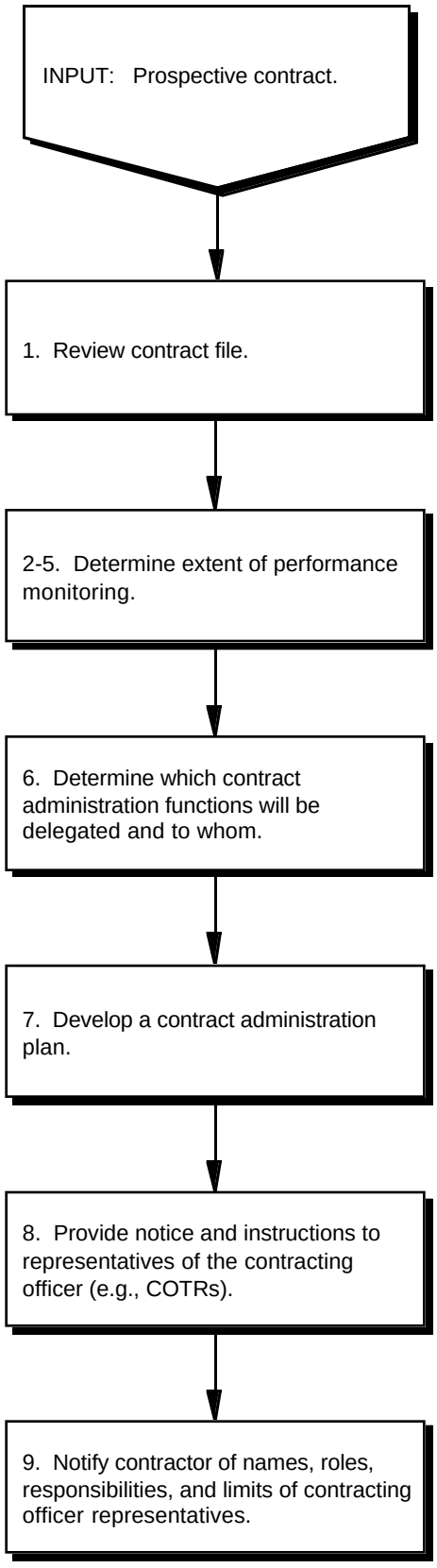
1. Knowledge of :
   - The elements of contract administration plans and the rationale for developing such plans.
   - Contract administration activities and the delegation of authority for administering contracts.
   - Other supporting offices (e.g., property specialists, transportation assistance, etc.).

2. Ability to identify contract clauses that affect the preparation of contract administration plans (e.g., by specifying when or where the contractor is to report, perform, notify, and/or deliver and by specifying when or where the Government is to furnish property, notify the contractor, et. al.).

Other Policies and References (Annotate As Necessary):

[1] FAC 97-01.

CONTRACT ADMINISTRATION PLANNING



UNIT 54 CONTRACT ADMINISTRATION PLANNING

Tasks	Related Standards
1. Review the contract file to identify critical contract clauses and requirements.	1. Identify all clauses that bear on performance (e.g., specification, delivery schedule, etc.) and monitoring.
2. Assign a criticality designator to the contract.	2. Assign a designator as prescribed in FAR 42.1105.
3. Identify, from acquisition history, previous issues and problems with the same contractor or contracts for similar requirements. • Patterns of performance. • Previous remedies and contractor's reactions to same. • Key personnel involved.	3. Data from non-Government personnel should be kept confidential.
4. Meet with requiring activity to discuss performance monitoring. • Share acquisition history with the requiring activity. • Identify and rank the requiring activity's priorities.	4. Focus performance monitoring on requiring activity's priorities.
5. Determine the extent of performance monitoring. Factors to consider: • Criticality of the requirement. • Contract requirements for reporting progress and performance. • Contract performance schedule. • Contractor's production or performance plan. • Contractor's history of contract performance. • Contractor's experience with the contract supplies or services. • The contractor's financial capability.	5. When the contract is under the Simplified Acquisition threshold or is a fixed price contract for commercial supplies: Only monitor delivery.

Tasks	Related Standards
6. Determine which contract administration functions will be delegated and to whom.	6. Do not delegate authority that FAR 42.2 and 42.3 reserve for the contracting officer. Identify the limits on any delegated authority.
7. Develop a contract administration plan. Include: • A listing of contract terms and conditions related to administration. • Contract milestones. • Contractor reporting procedures. • Quality assurance guidelines and/or surveillance plans (from requiring activity). • Inspection and acceptance process (from requiring activity). • Names, roles, authorities, and limits on authority of contract administration team members. • Milestones for reports from contract administration team members.	7. The plan should be complete and enable tracking of delivery requirements. The plan should also be consistent with contract terms and conditions. Quality assurance surveillance plans for services shall contain measurable inspection and acceptance criteria corresponding to the performance standards contained in the statement of work. When preparing such plans, focus on the level of performance required in the statement of work rather than the contractor's methodology for achieving that level of performance.[2]
8. Provide notice and instructions to contracting officer (technical) representatives and other support personnel of their roles, responsibilities, and limits of authority. • In writing, where necessary. • Furnish copies of plan.	8. Notice should be complete and accurate. Do not delegate authority reserved for the contracting officer. Instructions should be correct and complete. Correctly explain the doctrine of constructive changes. Among other things, stress the potential ramifications of overstepping limits on authority — for the contractor, the Government, and, personally, for the representative.
9. Notify contractor of names, roles, responsibilities, and limits of contracting officer representatives and other support personnel. • Government technical representative (e.g., COR). • Quality assurance/inspection personnel. • Property management specialists (if Government furnished property). • Others.	9. Notice should be complete and accurate.

[2] FAC 97-01.

UNIT 54 CONTRACT ADMINISTRATION PLANNING

Tasks	Related Standards

UNIT 55 POST-AWARD ORIENTATIONS

September 1998

Duty	Conduct postaward orientations for contractors.
Conditions	Given relevant documents (e.g., the solicitation, the contract, the offer, the price negotiation memorandum, records on the contractor's previous experience with Government contracts) and contractor inquiries.
Overall Standard(s)	The contractor is correctly informed of all postaward rights, duties, and milestones of both parties that affect substantial performance. All potential issues that may affect substantial performance are identified and resolved. The resolution of each issue is fully documented in a postaward report.

UNIT 55 POST-AWARD ORIENTATIONS

Policies

FAR	*Agency Suppl.*	*Subject*
4.7		Contractor records retention.
4.403(c)		Informing contractors of security classifications and requirements.
22.102		Federal and state labor requirements — encouraging contractors to cooperate with Federal and State agencies responsible for enforcing labor requirements and to use the U.S. Employment Service and local/State employment offices.
22.608(a)		Furnishing the contractor with DOL WH-1313, Notice to Employees Working on Government contracts.
22.805(b)		Furnishing the contractor with the poster "Equal Opportunity is the Law."
22.901		Information regarding Federal policies on nondiscrimination because of age.
22.1018		Notifying service employees of minimum wages and fringe benefits (e.g., through DOL WH-1313, Notice to Employees Working on Government contracts.)
22.1020		Seniority lists.
22.1304		Dept. of Labor notices and reports re: Special Disabled And Vietnam Era Veterans.
22.1404		Dept. of Labor notices re: employment of the handicapped.
42.5		Post-award orientation.
42.1401		Instructing contractors on carrier services and equipment.
52.202-1 52.212-4(e)		Definitions.
52.212-4 (s)		Order Of Precedence — Contracts for Commercial Items.
52.214-29		Order Of Precedence — Sealed Bidding
52.215-8		Order Of Precedence — Uniform Contract Format.

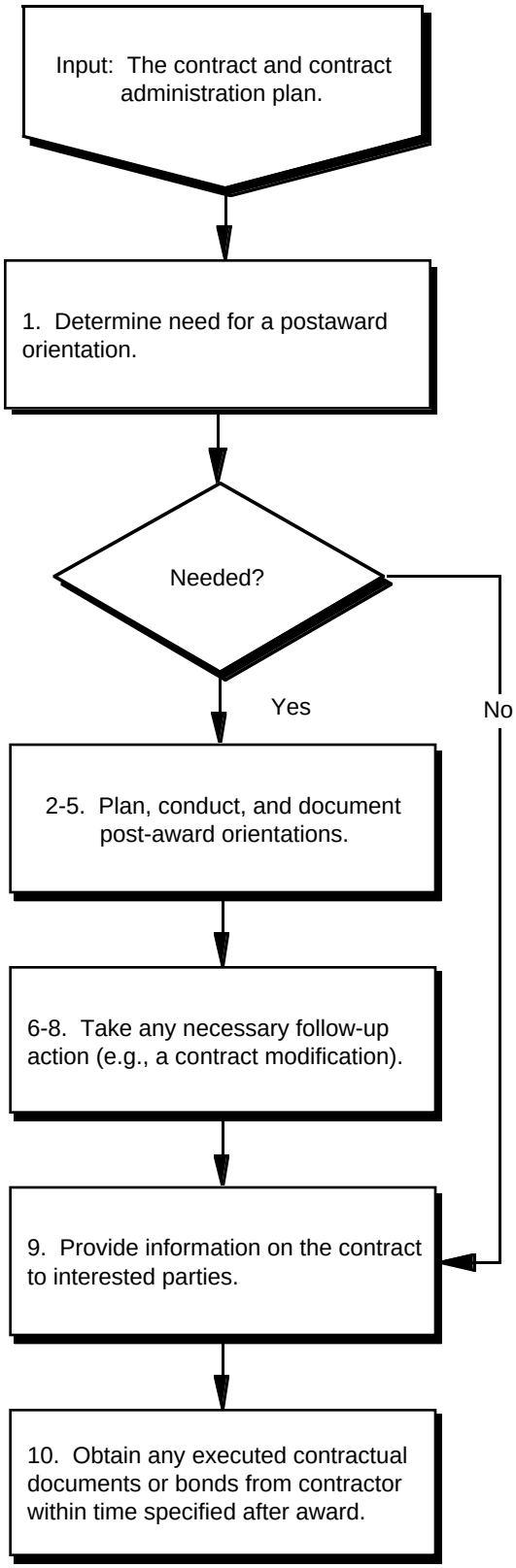
Other KSA's

1. Knowledge of:
   - Essential elements of a contract.
   - Legal principles regarding work statements and specifications; principles for interpreting the language of a contract.
   - Clauses and legal principles regarding the contractor's rights, conditions, and duties of performance under contract (e.g., inspection, delivery, acceptance, modifications, et al.).
   - Differences between agreements on interpretation and contract modifications.
   - Constructive change.
   - Risk assumption and techniques for reducing level of risk of both parties.
   - The Government's options (including pros, cons, and related policies) when agreements cannot be reached on issues that may affect substantial performance.
   - The Freedom of Information Act.

2. Ability to present an overview of Government contract administration, in terms of contractor rights, duties, and milestones.

Other Policies and References (Annotate As Necessary):

POST-AWARD ORIENTATIONS



UNIT 55 POST-AWARD ORIENTATIONS

Tasks	Related Standards
1. Determine the need for postaward orientation. • Identify contract requirements on which there may not be a meeting of the minds between the contractor and the Government (based on contractor inquiries or an independent review of relevant documents). • Identify milestones for contract administration. • Determine the need to provide a general briefing on Government contract administration or topical briefings on such matters as: - Security classifications and requirements (per FAR 4.403(c)(1)). - Record retention requirements (FAR 4.7) - Labor standards requirements of the contract under the Service Contract Act (if applicable). - Federal and State agencies responsible for enforcing labor requirements (in terms of encouraging the contractor to cooperate with them per FAR 22.101). - Federal and State employment services. - Federal policies on non-discrimination because of age (per FAR 22.902).	1. Identify all issues that may affect substantial performance. Recognize and mitigate risks to both the contractor and to the Government from the contractor's inexperience. Consider such factors as: • Nature and extent of the preaward survey and any other prior discussions with the contractor. • Type, value, and complexity of the contract. • Complexity and acquisition history of the product or service. • Requirements for spare parts and related equipment. • Urgency of the delivery schedule and relationship of the product or service to critical programs. • Length of the planned production cycle. • Extent of subcontracting. • Contractor's performance history and experience with the product or service. • Contractor's status, if any, as a small business, small woman owned business, or small disadvantaged business concern. • Contractor's performance history with subcontracting plans. • Safety precautions required for hazardous materials or operations. • Complexity of the financing arrangements.
2. Determine the type of orientation: • Telephone. • Letter. • Formal conference.	2. Select the most appropriate type.
3. Plan the orientation. • Prepare the Government's position on key issues. • Prepare the agenda and determine time and place of the conference, if any. • Designate the Government's participants in the orientation. • Brief the Government's participants on their roles. • Provide a copy of the agenda to the contractor. • Obtain a contractor response to the agenda. • Finalize the Government's position.	3. Clearly express the Government's expectations on each issue that may affect substantial performance.

UNIT 55 POST-AWARD ORIENTATIONS

Tasks	Related Standards
4. Conduct orientation • Present the names, roles, authorities, limits, and responsibilities of the Government's representatives (from Unit 54). • Provide general instructions on contract administration and the contractor's rights and duties. • Provide the contractor with seniority lists, notices for posting, and/or any other data that the Government is required to furnish at or before the commencement of work. • Secure agreement on milestones and on the interpretation of any other key provisions in question: Performance, delivery, payment, etc.	4. Emphasize that it is not the purpose of the conference to change the contract. Give the contractor all information necessary to mitigate his/her risk and the Government's risk. Request all information necessary to confirm that the contractor's understanding of key provisions matches the Government's understanding. In the role of the contracting officer, make commitments or give directions within the scope of your authority and put in writing and sign any commitment or direction, whether or not it changes the contract. During the conference, do not allow participants without authority to bind the Government in any way that alters the contract.
5. Prepare a report of the postaward conference. Include: • The names and affiliations of all participants. • All items discussed. • Areas requiring resolution. • Names of participants assigned responsibility for further actions. • Due dates for the actions.	5. Furnish copies to the contracting office, the contract administration office, the contractor, and others requiring the information.
6. Select a course of action when an agreement on a key issue cannot be reached.	
7. Identify need for unilateral or bilateral contract modifications (see Unit 58), if any.	7. Changes to the contract resulting from the conference should be made only by a formal contract modification.
8. Document the contract file.	
9. Provide information on the contract and performance to interested parties.	9. Do not release information covered by exemptions from the Freedom of Information Act (e.g., proprietary data).
10. Obtain any executed contractual documents or bonds from the contractor within the time specified after award.	

UNIT 55 POST-AWARD ORIENTATIONS

Tasks	Related Standards

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

February 1999

Part A: Consent Requirements

Duty Incorporate consent requirements in the RFP.

Conditions Given Purchase Requests, market data, acquisition histories, estimated value of the contract, and a decision on the type of contract to solicit.

Overall Standard(s) Correctly identify the clause(s) (if any) that are applicable to the contract action.

Part B: Consent to Subcontracts

Duties

1. Determine whether consent is required.

2. If required, consent (or decline to consent) to the placement of proposed subcontracts.

Conditions Given proposed subcontracts and a contract with the clause at FAR 52.244-2.

Overall Standard(s) Identify all subcontracts which require consent and give or deny consent. Consent only to subcontracts that will be awarded to responsible subcontractors. Do not consent to any subcontract prohibited by the FAR. Do not consent to subcontracts (a) for supplies that should be made rather than bought, (b) that exceed minimum requirements or are not technically sound, and/or (c) would be awarded through procedures not likely to result in fair and reasonable prices or on-time delivery of needed supplies or services.

Part C: Purchasing System Reviews

Duties Review contractor purchasing systems.

Conditions Given a contract subject to purchasing system reviews.

Overall Standard(s) Determine whether and when to review the contractor's purchasing system. Negotiate improvements and monitor implementation. Take measures to protect the Government if the purchasing system is deficient.

Part D: Make-Or-Buy

Duties Monitor contractor compliance with make-or-buy plans.

Conditions Given a contract with a make or buy plan.

Overall Standard(s) Accurately determine whether changes in the plan (1) will result in more economical performance and (2) the likely savings in dollars to the contractor.

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Policies

FAR	*Agency Suppl.*	*Subject*
9.402(a) and 9.405-2		Restrictions on consenting to subcontracts with excluded firms.
15.404-3		Contractors required to perform price or cost analysis for all significant proposed subcontracts and purchase orders.
35.009		Consent to R&D subcontracts.
44.2		Consent to subcontracts.
44.3		Contractor's purchasing system reviews.
52.209-6		Restrictions on subcontracting with excluded sources.
52.219-14		Limits on amount of subcontracting.
52.222-28		EEO clearance of subcontracts.
52.244-2		Subcontract clearance requirements.
52.244-5		Requirement to compete subcontracts.

Other KSA's

1. Reserved.

Other Policies and References (Annotate As Necessary):

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

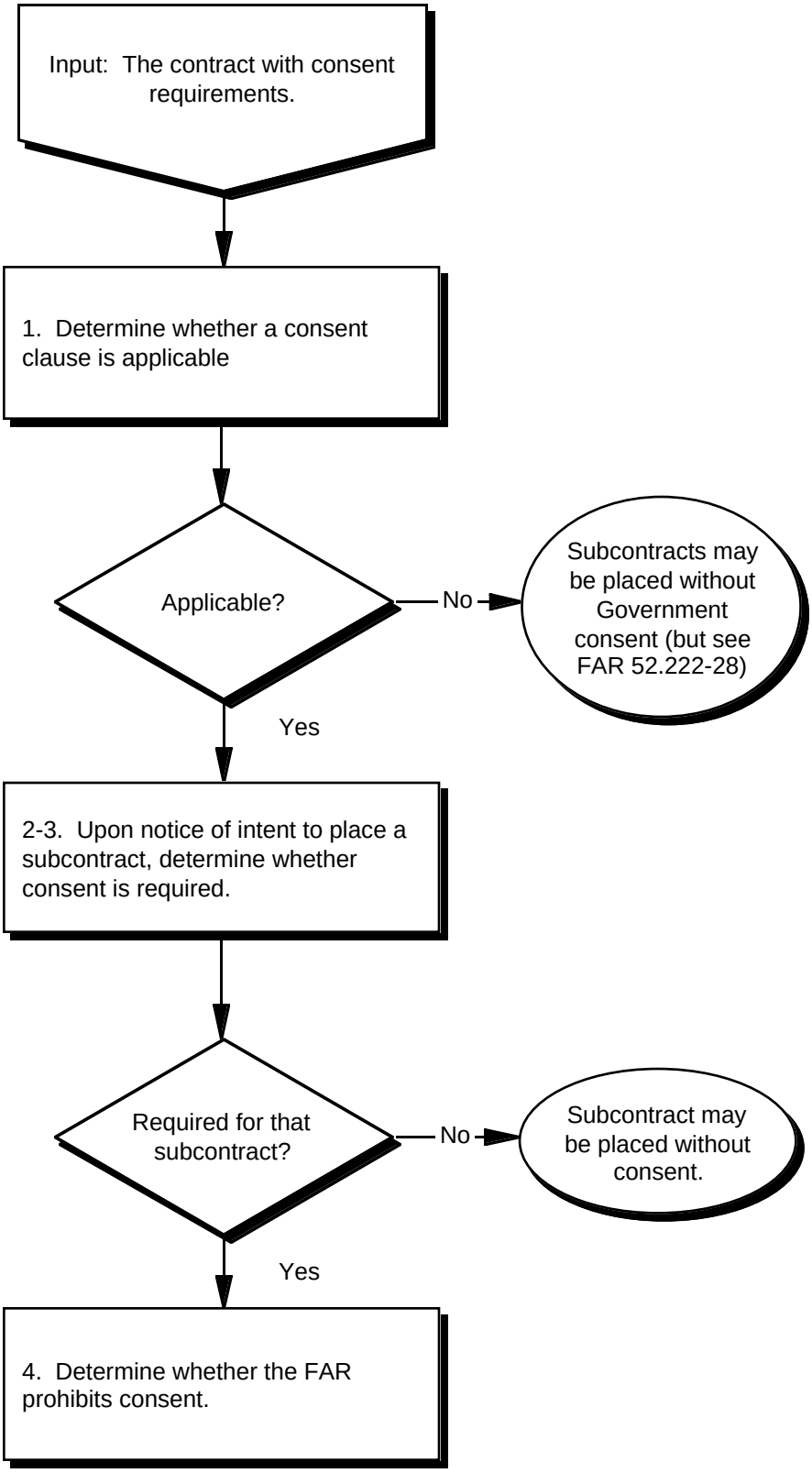
Part A: Consent Requirements

Tasks	Related Standards
1. Incorporate the clause at 52.244-2 when contemplating award of a: • A cost reimbursement contract. • A letter or time and materials contract that exceeds the simplified contracting threshold (SAT)[1]. • A fixed-price contract that exceeds SAT under which unpriced actions are anticipated.[2]	1. Enter the identifiers of specific subcontracts (if any) that merit consent regardless of the status of the contractor's purchasing system (52.244-2(e)).
2. Incorporate the clause at 52.244-5 unless: • The contract amount is expected to fall under SAT, • The contract is firm fixed price awarded on the basis of adequate price competition or on the basis of prices set by law or regulation, • The contract type is time-and-materials or labor-hour, or • The contract is for architect-engineer services.	
3. Incorporate the clause at 52.222-28 (Equal Opportunity Preaward Clearance of Subcontracts) when: • The contract amount is expected to be for $1,000,000 or more, and • The contract includes the clause at FAR 52.244-2.	

[1] FAC 97-05.

[2] Note that FAC 97-05 deleted the requirement for a contract clause and subcontract consent in fixed priced incentive and redeterminable contracts.

CONSENT TO SUBCONTRACTS



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CONSENT TO SUBCONTRACTS

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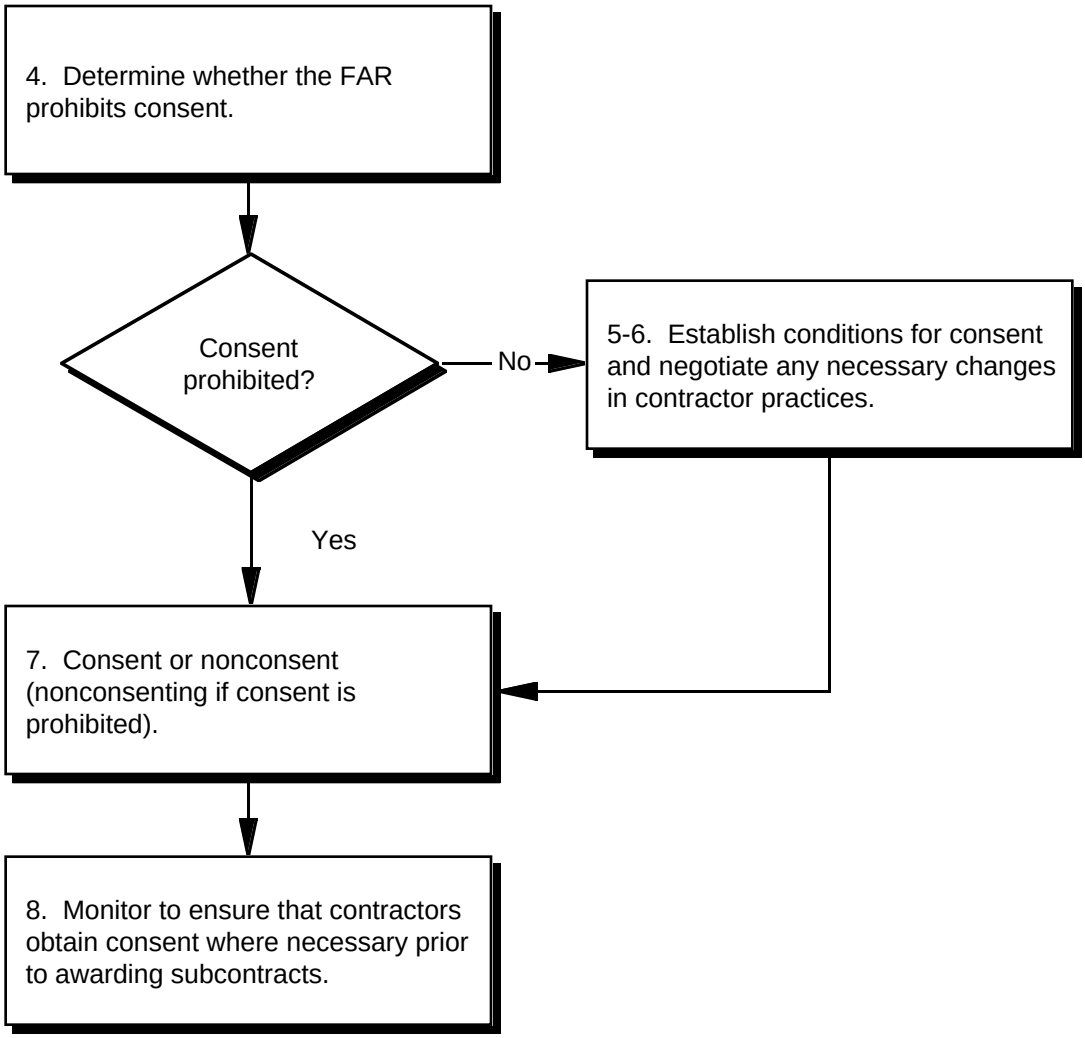


UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Part B: To Consent Or Not To Consent

Tasks	Related Standards
1. Identify applicable "consent" and other prior notification clauses. • The clause at FAR 52.244-2 applies to cost-reimbursement, time-and-materialscontracts, labor-hour contracts, and letter contracts. • Other incorporated clauses are applicable regardless of contract type (e.g., 52.209-6 and 52.222-28.)	B1. Identify any other clauses in the contract that require the contractor to notify the contracting officer prior to entering into a subcontract.
2a. If the contractor does not have an approved purchasing system, identify the types of subcontracts for which consent is required. • For cost-reimbursement contracts, consent is required if: - The subcontract is for fabrication, purchase, rental, installation, or other acquisition of special test equipment valued at more than $10,000 or of any items of facilities, - The subcontract has experimental, developmental, or research work as one of the purposes, - The subcontract is on a cost-reimbursement, time-and-material, or labor-hour basis. - The subcontract's fixed price exceeds either (or in DoD, Coast Guard, and NASA, the greater of) the SAT or 5% of the total estimated cost of the prime contract. • Regardless of contract type, contractors must: - Provide prior notice to the contracting officer, as prescribed by FAR 52.209-6, prior to placing a subcontract with an "Excluded Party." - When the clause at FAR 52.228-28 applies, receive a prior EEO clearance before placing any contemplated first-tier contract at an estimated or actual amount of $1 million or more.	

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Part B: To Consent Or Not To Consent

Tasks	Related Standards
2b. If the contractor has an approved purchasing system, identify the types of subcontracts for which consent is required. • For letter or cost reimbursement contracts (other than facilities contracts), consent is required only if: - The subcontract was selected for special surveillance (52.244-2(e)). - The subcontract is for fabrication, purchase, rental, installation, or other acquisition of special test equipment valued at more than $10,000 or of any items of facilities, or - The subcontract has experimental, developmental, or research work as one of the purposes. • Regardless of contract type, contractors must: - Provide prior notice to the contracting officer, as prescribed in FAR 52.209-6, prior to placing a subcontract with an "Excluded Party." - When the clause at FAR 52.228-28 applies, receive a prior EEO clearance before placing any contemplated first-tier contract at an estimated or actual amount of $1 million or more.	2b. Note that, even if consent is not required under a cost reimbursement contract, the contractor is still required to notify the agency before the award of: • Any cost-plus-fixed-fee contract. • Any fixed-price subcontract that exceeds the greater of SAT or 5% of total estimated contract cost (title 10 agencies) OR either SAT or 5% of the total estimated contract cost (title 41 agencies).
3. Obtain the notification and supporting data required for consent or an EEO clearance. (Note: Designation of a specific subcontractor by the Government or evaluation of subcontracts during contract negotiations does not in itself satisfy the requirements for advance notification or consent. If the consent requirements have been satisfied in negotiations prior to award, place a statement to that effect in the contract—as prescribed in FAR 44.202-1(c).)	B3. Identify and obtain correction of any omission or deficiency in the contractor's notification given the requirements of the applicable clause.

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Part B: To Consent Or Not To Consent

Tasks	Related Standards
4. Determine whether the FAR prohibits consent. • Fee exceeds fee limitations of 16.301-3 for cost reimbursement contracts. • Payment on cost plus percentage of cost basis. • Subcontracts establish privity between Government and subcontractor (e.g., that obligate contracting officers to deal directly with the subcontractor). • Subcontracts make the results of arbitration, judicial determination, or voluntary settlements between the prime and subcontractor binding on the Government. • Repetitive or unduly protracted use of cost-reimbursement, time-and-materials, or labor hour subcontracts. • Proposed subcontractor is on the List of Parties Excluded From Federal Procurement and Nonprocurement Programs. • Proposed subcontract is for items that the contractor is required by the FAR clause at 52.208-1 to obtain from the Plant. • For first tier subcontracts with an estimated value of $1 million or more, the proposed subcontractor is not in compliance with equal opportunity requirements.	B4. Do not consent to any subcontract prohibited by FAR. If the subcontractor is on the List of Parties Excluded From Federal Procurement and Nonprocurement Programs, only consent to the subcontract as provided in FAR 9.405-2 and 52.209-6. Do not consent to any subcontractor not in compliance with equal opportunity requirements under the clause at 52.222-28.
5. Determine whether to withhold consent and changes or corrections (if any) that should be made as a condition of consent.	B5. Consider: • Contractual limits on the amount of subcontracting (e.g., see the clause at 52.219-14). • The necessity for subcontracting. • Consistency with "make or buy" program. • Availability of the special test equipment of facilities from Government sources that would otherwise be procured under a subcontract. • Technical justification for the selection of the particular supplies, equipment, or services. • Prime contract requirements regarding small business subcontracting, including, if applicable, its subcontracting plans (as taught in Unit 49). • Adequacy of price competition obtained or the justification for its absence. • The contractor's assessment and disposition of alternate proposals from subcontractors, if offered. • The basis for selecting the particular subcontractor and determining its responsibility. • Adequacy of the contractor's cost or price analysis.

Tasks	Related Standards
	• Whether the contractor obtained accurate, complete, and current cost or pricing data, including any required certification. • The type of subcontract, given the risks involved and current policies on the use of that type of contract. • Adequacy of consideration for any proposed subcontract that will involve the use of Government-furnished facilities. • Adequacy and reasonableness with which the contractor has translated prime contract technical requirements into subcontract requirements. • Compliance with applicable cost accounting standards for awarding the subcontract.
6. Negotiate changes or corrections in the contractor's subcontracting plans, procedures, terms and conditions, and the like (where necessary, modifying the contract per Unit 58).	
7 Consent or nonconsent, document the decision, and communicate the decision in writing to the contractor.	
8. Monitor contract performance to ensure that subcontracts are not awarded without consent (per Unit 61).	

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Part C: Purchasing System Reviews

Tasks	Related Standards
1. Determine whether to recommend reviewing a contractor's purchasing system.	C1. Identify and forward any evidence from monitoring contract performance that is relevant to the cognizant ACO's decision to review or not review a contractor's purchasing system. ACOs are obliged to consider such reviews if a contractor's sales to the Government (excluding competitively awarded firm-fixed-price and competitively awarded fixed-price with economic price adjustment contracts and sales of commercial items pursuant to Part 12) are expected to exceed $25 million during the next year. And, at minimum, ACO's must revisit this decision every three years.
2. Participate in monitoring the contractor's purchasing program.	C2. As directed by the cognizant ACO.
3. Alert the ACO to a potential need to consider withdrawing approval of the purchasing system.	C3. Correctly identify evidence of a significant deterioration of the contractor's purchasing system or other reason to consider withdrawing approval.
4. Take measures to protect the Government's interests on specific contracts when ACO's deny or withdraw approval of the purchasing system.	
5. As provided by the ACO, maintain copies of CPSR reports; notifications granting, withholding, or withdrawing system approval; and Government recommendations for improvement of an approved system, including the contractor's response.	

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Part D: Compliance with Make or Buy Plans

Tasks	Related Standards
1. Identify changes in make-or-buy plans. • Review notices of proposed changes in make-or-buy categories under FAR 52.215-21. • Obtain any other evidence of a change in the contractor's make or buy decisions.	
2. Determine the impact of the change on the contractor's cost of performance.	2. Accurately determine (1) whether the change will result in more economical performance and (2) the likely savings in dollars to the contractor.
3. Obtain an equitable adjustment.	3. Negotiate an adjustment commensurate with the savings.

UNIT 56 CONSENT TO SUBCONTRACTS & PURCHASING SYSTEM REVIEWS

Part D: Compliance with Make or Buy Plans

Tasks	Related Standards

UNIT 57 SUBCONTRACTING REQUIREMENTS

February 1999

Duty	1. Monitor contractor compliance with subcontracting requirements. 2. Where necessary, invoke applicable remedies.
Conditions	Given a contract with the clauses at FAR 52.219-9 and 219-10 and information on subcontract placement.
Overall Standard(s)	Correctly determine compliance with subcontracting goals, plans, and requirements. When available, calculate and assess liquidated damages if the contractor has not made a good faith effort to comply with the subcontracting requirements. Correctly calculate the amount of the incentive payment under FAR 52.219-10 if the contractor has exceeded its goals by its own efforts.

UNIT 57 SUBCONTRACTING REQUIREMENTS

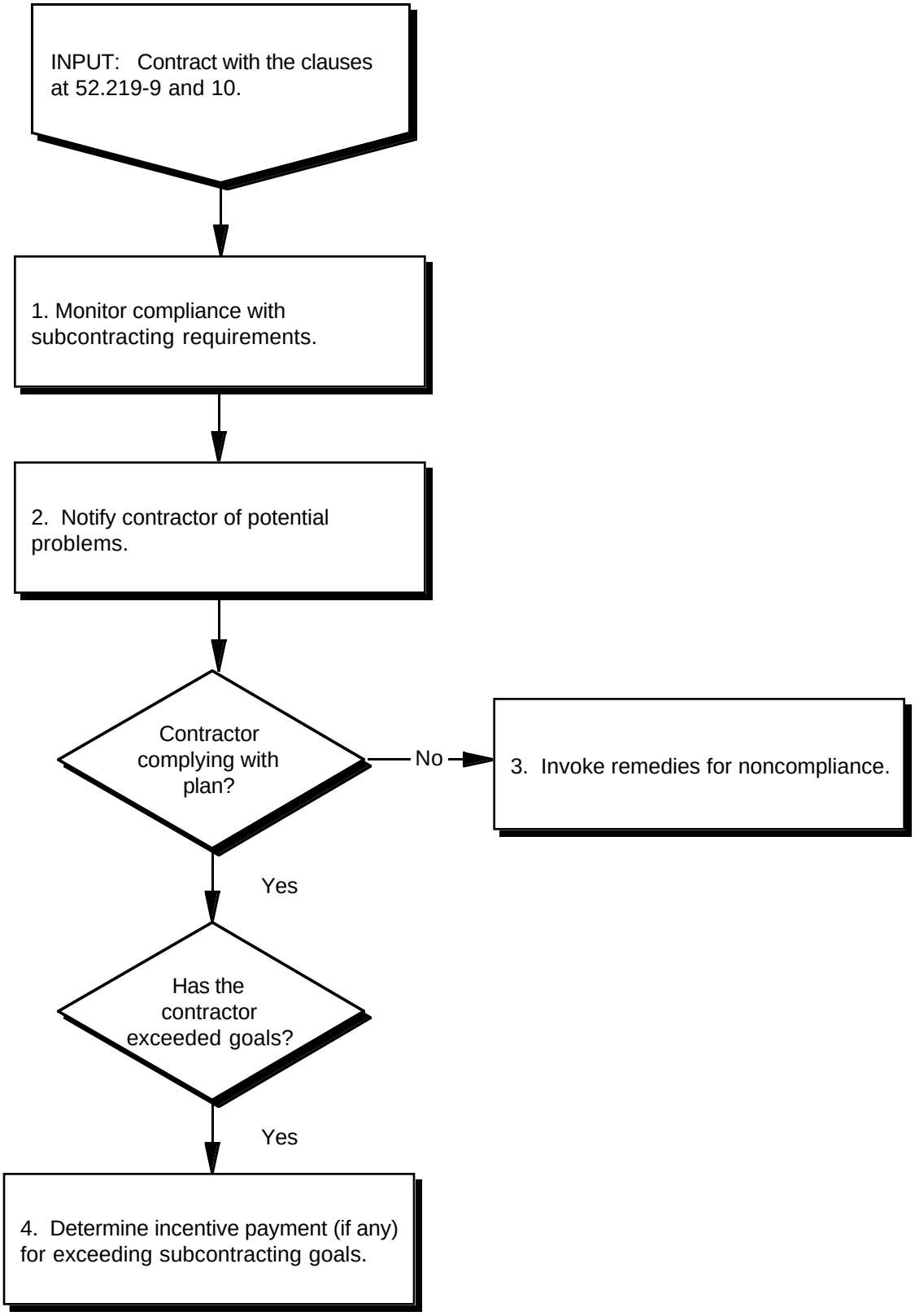
Policies

FAR	*Agency Suppl.*	*Subject*
19.705-6		Post-award responsibilities of the contracting officer for subcontracting plans.
19.705-7		Liquidated damages for violations of subcontracting plans.
19.706		Responsibilities of the cognizant ACO.
19.707(a)(4)		SBA's role
52.219-9		Small business and small disadvantaged business subcontracting plans.
52.219-10		Incentive Subcontracting Program
52.219-12		Special 8(a) Subcontract Conditions
52.219-16		Limitations in Subcontracting
52.219-16		Liquidated Damages - Subcontracting Program
52.219-25		Small Disadvantaged Business Participation Program — Disadvantaged Status and Reporting
52.219-26		Small Disadvantaged Business Participation Program — Incentive Subcontracting

Other KSA's

Other Policies and References (Annotate As Necessary):

SUBCONTRACTING REQUIREMENTS



UNIT 57 SUBCONTRACTING REQUIREMENTS

Tasks	Related Standards
1. Monitor compliance with subcontracting requirements. • Obtain quarterly reports (SF 295) under the plan. • Determine whether the contractor has attained the goals. • If the contractor has not attained the goals, obtain any facts necessary to apply the criteria at 19.705-7 in determining whether the contractor made a good faith effort to comply with the subcontracting plan.	1. Correctly identify applicable subcontracting requirements. Accurately identify any related breach of contract, such as failure to meeting subcontracting goals. In the event of failure, correctly identify and apply the criteria at 19.705-7.
2. Notify the contractor of potential problems (if any) in complying with subcontracting requirements.	2. Where possible, informally resolve the problem. When available as a remedy, provide written notice of intent to invoke liquidated damages because of "failure to make a good faith effort to comply with the subcontracting plan" — specifying the failure. Provide the contractor with a grace period of at least 15 working days to respond. Review the contractor's response and, if requested by the contractor, discuss the response.[1]
3. Invoke remedies for noncompliance with subcontracting requirements. • Withholding of consent to subcontracts (per Unit 56). • Liquidated damages. • Other	3. When available as a remedy, invoke liquidated damages only if the contractor cannot affirm a good faith effort to comply with the subcontracting requirements. Set the amount of liquidated damages as equal to the actual dollar amount by which the contractor failed to achieve each subcontract goal (or, in the case of a commercial plan, equal to that portion of the pro rata share of the dollar amount of subcontracting attributable to Government contracts by which the contractor failed to achieve each goal). [2]
4. Determine the incentive payment for exceeding subcontracting goals.	C4. If the clause at FAR 52.219-10 or 52.219-26[3] applies, correctly verify: • The extent (if any) to which the goals have been exceeded, • That the contractor exceeded the goals due to its own efforts, and • The amount of the incentive payment.

[1] FAC 97-05.
[2] FAC 97-05.
[3] FAC 97-07.

UNIT 58 CONTRACT MODIFICATIONS

September 1998

Part A: Modifications

Duties

1. Determine whether a modification is needed.
2. Select the type of modification (administrative modification, change order or supplemental agreement).
3. Prepare the modification.

Conditions Given the contract and a request to modify the contract.

Overall Standard(s) Modify the contract when the proposed change is within the scope of the contract. Select the type of contract modification that will best satisfy the requirement, given the urgency of the needed change, nature of the change, risk of a unilateral change, progress in trying to reach a bilateral agreement, and the contract's terms and conditions with respect to unilateral change orders.

Part B: Extraordinary Contractual Actions

Duty Determine whether to grant extraordinary relief and the nature and extent of such relief.

Conditions Given a contractor's request for an extraordinary contract action.

Overall Standard(s) Grant no relief from contract requirements that would violate FAR 50.203.

UNIT 58 CONTRACT MODIFICATIONS

Policies

FAR	*Agency Suppl.*	*Subject*
4.2		Contract distribution.
4.6		Contract reporting.
4.902		Reporting contract information to the IRS.
5.001		The publicizing requirements of Part 5 are not applicable to modifications that are within the scope and under the terms of the contract.
5.202		No requirement to synopsize a contract action made under the terms of an existing contract that was previously synopsized in sufficient detail to comply with the requirements of 5.207 with respect to the current contract action.
9.405-1(c)		No extension of a contract's duration with suspended or debarred contractors.
22.605		Compliance with Walsh Healy if the contract is modified to exceed $10,000.
22.1007		Wage determinations pursuant to options or modifications under the Service Contract Act.
32.702		Anti-Deficiency Act.
42.12		Novation and change of name agreements.
43		Contract Modifications.
48		Value engineering.
50.1 through 50.3		Extraordinary contractual actions.
52.212-4(c)		Modifying contracts for commercial items.
52.243-1 thru 243-3		Changes clauses.
52.243-6		Change order accounting.
52.243-7		Notification of changes.
52.248-1		Value engineering.

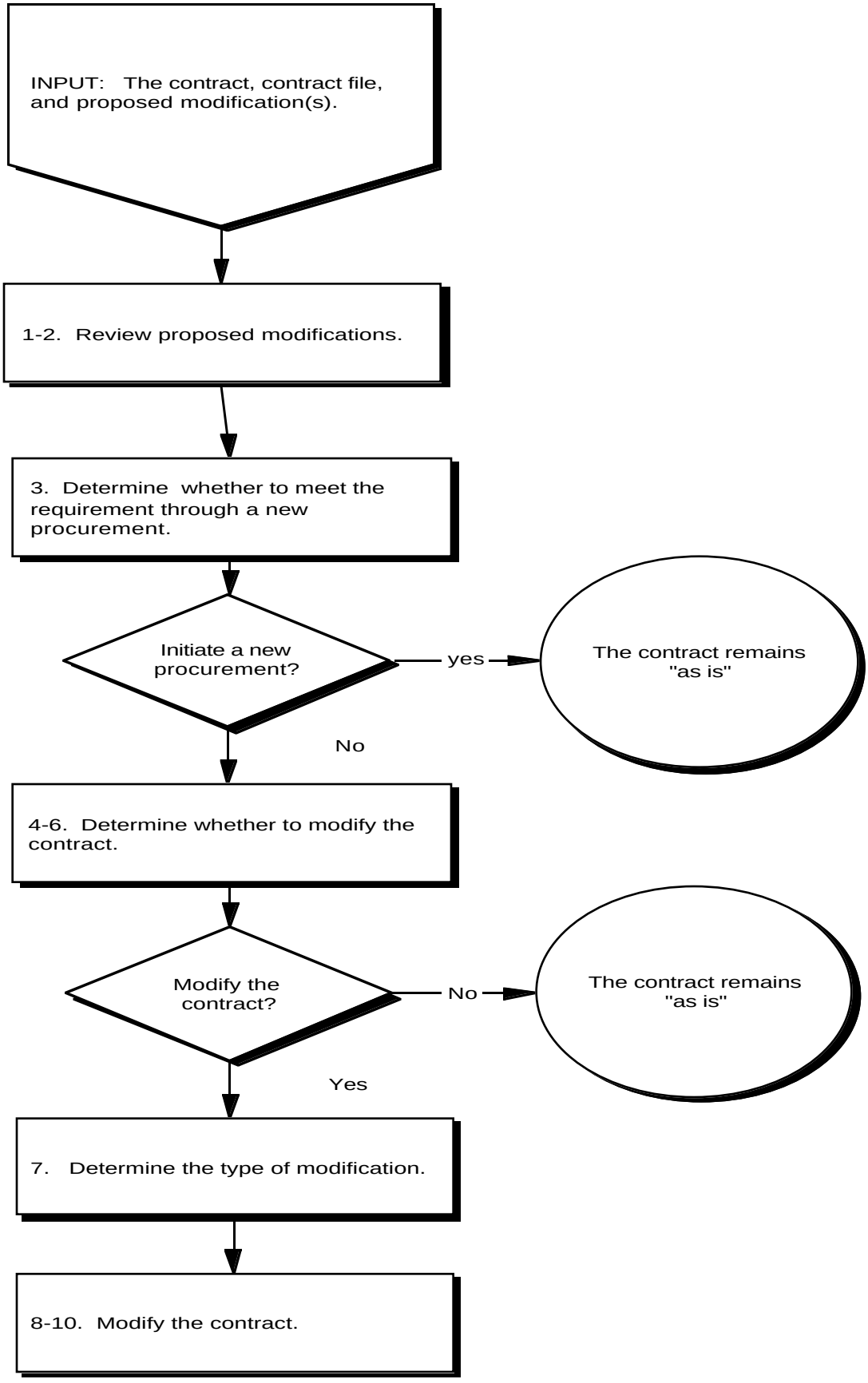
Other KSA's

1. Knowledge of SF30 (or agency equivalent) and the OF 336.

2. Knowledge of the intent and meaning of the term "scope" and criteria for determining whether a proposed change is within a contract's scope.

Other Policies and References (Annotate As Necessary):

Modifications



UNIT 58 CONTRACT MODIFICATIONS

Part A: Modifications

Tasks	Related Standards
1. Determine whether to consider a contractor proposed modification. For example, the contractor may submit: • A request to recognize a successor in interest to the contract. • A request for a name change • A value engineering proposal. Subtasks: • Obtain any necessary documentation from the contractor, such as: - 3 signed copies of a proposed novation agreement, along with any other applicable documents). - 3 signed copies of a proposed Change-Of-Name agreement and other applicable documents. • Refer request to the requiring activity and/or contract administration for comment. • Make the determination.	A1. Do not approve the modification when: • The requirement is already covered by the contract. • Requiring activity does not concur with contractor's proposal for technical changes. • Contracting officer does not concur with contractor's proposal to change business terms and conditions. • Lack of funds. Determinations should comply with FAR 42.1203, 42.1204, 42.1205, and 48.103.
2. Determine that a Government request for modification is sufficient (per Units 3, 4, and 6) and verify that sufficient funds are available , including proposed modifications that arise from a mandatory value engineering program.	
3. Determine whether to meet the requirement through a new procurement or a modification.	A3. Correctly identify whether the requirement is outside the original contract's scope. Do not modify the contract if the requirement is outside the scope and there is no justification for using a single source (per Unit 10). Do not use the authority of a value engineering clause to make a change: • Only in deliverable end item quantities. • In R&D items or test quantities that are due solely to results of previous testing under the instant contract. • Only to the contract type. Do not execute any modification that changes the scope of a contract without complying with the requirements of FAR 3.104.

UNIT 58 CONTRACT MODIFICATIONS

Part A: Modifications

Tasks	Related Standards
4. Estimate the impact of the proposed change on price, delivery, and performance. • Obtain a technical evaluation of the proposed change and its potential impact on overall performance requirements (per Unit 36). • Determine whether certified cost or pricing data and/or an audit will be necessary (per Units 38 and 39). • Estimate impact on price (per Unit 40).	4. Process value engineering proposals as provided in FAR 48.103. If the contract is for services subject to the Service Contract Act and the modification would change the scope of work, requests a wage determination (per Unit 8).
5. Determine the consideration, if any, that would be needed. • Consideration to Government. • Consideration to contractor (e.g., a fair share of the savings on an accepted Value Engineering Change Proposal).	A5. Consideration should be equitable and reasonably derived from facts of case. For value engineering proposals, calculate the consideration for the contractor as provided in FAR 48.104.
6. Document the decision to modify or not modify the contract and provide notice of the decision. • To the requiring activity. • To the contractor, if the modification had been proposed by the contractor.	A6. Provide prompt notice to the contractor if you reject a contractor proposal for a value engineering proposal.
7. Determine the type of modification. Alternatives: • Supplemental agreement. • Change Order under one of the Changes clauses (e.g., FAR 52.243-1 through 243-3). • Unilateral change under a different clause (often in the form of a decision under the Disputes Clause when a bilateral agreement cannot be negotiated). Examples of such clauses include those related to: - Options (see Part B). - Stop Work (see Unit 60). - Remedies (see Unit 61). - Price or fee adjustments (see Unit 70). - Cost Accounting Standards (see Unit 71). - Defective Pricing (see Unit 73). - Termination (see Unit 76). • An "administrative" change (i.e., a unilateral contract change, in writing, that does not affect the substantive rights of the parties—such as a novation agreement, change-of-name agreement, a change in the address of the Paying Office, etc.).	A7. Only select supplement agreements for commercial contracts per FAR 52.212-4 (other unilateral changes might be allowed by a clause or clause incorporated in an addendum). Select the alternative that is most likely to satisfy the requirement, considering: • The applicable contract clause (if any). • Impact (if any) on the substantive rights of the parties (i.e., would it entitle the contractor to an equitable adjustment?). • Leadtime for negotiating and executing a supplemental agreement (during which the contractor may be doing unnecessary work at Government expense). • Urgency of obtaining the requirement as modified by the change. • Risk of a unilateral change (in terms of potential disputes and other problems). • Progress (or lack of progress) in trying to reach a bilateral agreement.

UNIT 58 CONTRACT MODIFICATIONS

Part A: Modifications

Tasks	Related Standards
8. Negotiate a supplemental agreement. • Obtain proposal from the contractor. • Evaluate proposal and establish a prenegotiation position on the equitable price adjustment (per Units 35 through 40). • Do factfinding if necessary (per Unit 43). • Develop negotiation objectives, strategies, and tactics (per Unit 44). • Conduct negotiations (per Unit 45). • Prepare the agreement and obtain approvals. • Obtain release of claims. • Document the file and distribute the agreement.	
9. Issue a change order under one of the Changes clauses. • Prepare and issue change order. • Inform the contractor of its obligation to continue performance of the contract as changed, under the conditions described at FAR 43.201(a) and of the need, if any, to segregate the costs of performing changed work as prescribed in the Change Order Accounting clause at 52.243-6. • Establish a prenegotiation position on the amount of the equitable adjustment, if any. (per Unit 40). • Negotiate a supplemental agreement on the amount of the equitable adjustment and obtain a release of claims, or, if agreement cannot be reached: • Resolve claim (per Unit 82). • Document the file and distribute the change order and any supplemental agreement.	A9. Prepare, issue, and definitize a unilateral change order as provided in FAR 43.2 and 43.3.
10. Prepare and issue administrative changes. • Novation agreements. • Name changes. • Other.	A10. For novation and change-of-name agreements, correctly implement the provisions of FAR 42.12.

Tasks	Related Standards
	For name changes: • Verify that the contractor's rights and obligations remain unaffected. • Execute the Change-Of-Name agreement and retain one copy for the contract file. • Forward the executed agreement to both the transferor and the transferee. • Prepare an SF30 incorporating a summary of the agreement and attaching a complete list of contracts affected. • Distribute the SF30 (one to the file, one to the transferor, one to the transferee, and others to any involved contracting offices and contract administration activities.
	For other types of administrative changes: • Verify that the change does not affect the substantive rights of the parties (if necessary, consult legal staff). • Prepare and issue the change. • Document the file and distribute the change order.
11. Make post-modification notifications. • Requiring activity. • Input to Federal Procurement Data System (FPDS). • Distribute copies of contract modification to the contractor(s), paying office, contract administration activity (if the contract administration has been delegated), audit services (if the contract requires audit service), and other such parties.	A11. Distribute copies as prescribed in FAR 4.2. Input to the FPDS as prescribed in FAR 4.6.

UNIT 58 CONTRACT MODIFICATIONS

Part B: Extraordinary Contractual Actions

Tasks	Related Standards
1. Identify officials with authority to grant extraordinary relief (if any) and whether the requested relief is within the limits on their authority.	B1. Grant no relief in violation of FAR 50.203. Process the request under their direction.
2. Evaluate the request (per Units 6 and 36 through 40) and conduct any related factfinding (per Unit 43).	B2. Obtain the data required of the contractor by FAR 50.303. Obtain any other data necessary for analysis of the request as described in FAR 50.304. .
3. Determine whether to grant any form of relief.	B3. If the contractor has incurred losses or is threatened with losses on a defense contract, grant relief when: • The losses will impair its productive ability, and, • The contractor's continued performance on any defense contract or continued operation as a source of supply is found essential to the national defense.
4. Determine the type and extent of the relief (if any). • Establish the level of monetary relief per Unit 40. • Determine other forms of relief (e.g., change in delivery schedule).	B4. Provide only that amount of relief necessary to avoid impairing the contractor's productive ability.
5. Prepare a Memorandum Of Decision.	B5. Memorandum should conform to the requirements of FAR 50.303.
6. Prepare, execute, and issue the contract action (new contract, amendment without consideration, or contract modification).	B6. Contract action should include the data required by FAR 50.307 (e.g., citation of the Act and Executive Order as authority for the relief, brief statement of circumstances justifying the action, and a recital of the finding that the action will facilitate the national defense.)
7. Document the file.	B7. Documentation should conform to FAR 50.105 (e.g., a copy of the contractor's request, all relevant documents and correspondence, the Memorandum of Decision, and the contract action.)

UNIT 59 OPTIONS

September 1998

Duty	Determine whether or not to exercise the option.
Conditions	Given a contract with an options clause and relevant market data.
Overall Standard(s)	Exercise an option within the time frame established in the contract and only when the option represents the most advantageous offer that in all likelihood would be available from the market.

UNIT 59 OPTIONS

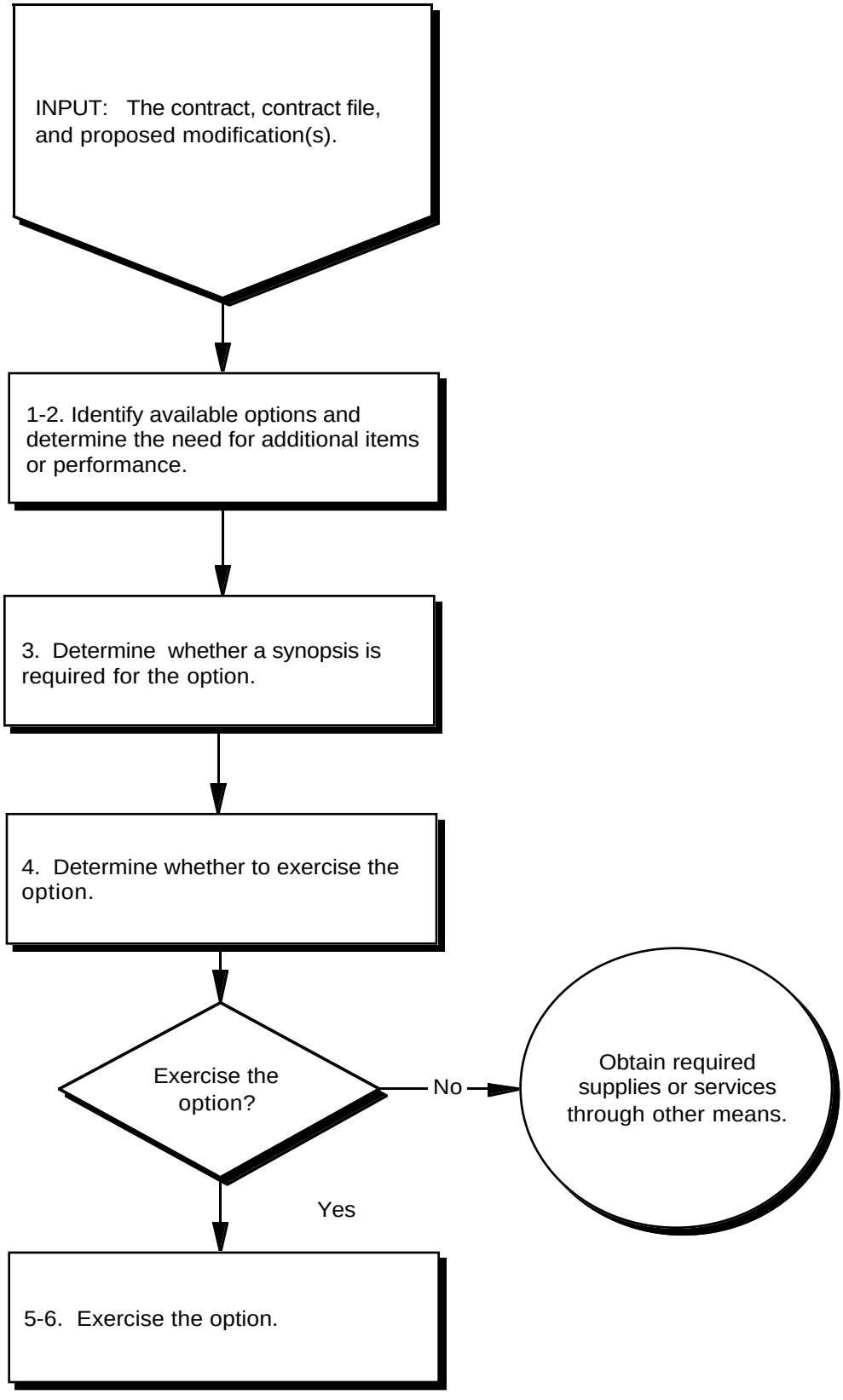
Policies

FAR	*Agency Suppl.*	*Subject*
5.202		No requirement to synopsize a contract action made under the terms of an existing contract that was previously synopsized in sufficient detail to comply with the requirements of 5.207 with respect to the current contract action.
6.001(c)		Part 6 not applicable to the exercise of priced options that were evaluated as part of the initial competition.
9.405-1(c)		No extension of a contract's duration with suspended or debarred contractors.
17.200 and 17.201		Options.
17.207		Exercise of options.
52.217-6 through 9		Option clauses.

Other KSA's

Other Policies and References (Annotate As Necessary):

Exercising Options



UNIT 59 OPTIONS

Tasks	Related Standards
1. Identify available options.	1. Do not renew or extend a contract if the contractor is suspended, debarred, or proposed for debarment. Review all options prior to the established dates for exercising them, with sufficient leadtime to verify the need and research current market prices. Absent an exception to the requirement for full and open competition, correctly determine whether the option was evaluated as part of the initial competition and, if not, do not give any further consideration to the option (i.e., meet the need through a new procurement).
2. Consult requiring activities to determine the need for additional supplies or services (or continuing the provision of services for a specified period of time) covered by the option.	2. Verify (1) that the requirement covered by the option fulfills an existing Government need and (2) the availability of funding for exercise of the option.
3. Determine whether a synopsis is required for the option.	3. Do not synopsize if the synopsis for the original contract provided sufficient detail on the existence of the option clause or if another synopsis exception applies (per FAR 5.202).
4. Determine the option price.	4. Correctly determine whether the dollar amount is specified or reasonably determinable. If reasonably determinable, correctly: • Identify the amount specified, or • Apply the provisions or formula (if any) for determining the amount or fee — e.g., an EPA provision.

UNIT 59 OPTIONS

Tasks	Related Standards
5. Determine whether to exercise the option. Base the decision either on: • Market research, or • Solicitation of offers from other vendors.	5. Only consider exercising the option if the dollar amount is specified in or reasonably determinable from the terms of the basic contract, as provided in FAR 17.207(f). Exercise options if market research confirms that the option price would be lower than prices likely to be offered by other vendors or that the option otherwise represents the most advantageous offer, taking into consideration such factors as: • Any economic price adjustment clause that affects the option price. • The need for continuity of operations. • Potential costs of disrupting operations. Formally solicit offers from other vendors prior to exercising the option only when market research cannot provide such confirmation.
6. Provide preliminary written notice to the contractor of intent to exercise the option.	6. Provide notice within the time period specified in the contract. In the notice, cite the option clause as authority for the action. If the option involves services subject to the Service Contract Act, also obtain a wage determination.
7. Prepare a written determination for the contract file.	7. Per FAR 17.207(f), justification supports a conclusion that the exercise is in accordance with the terms of the option, the requirements of this section 17.207, and FAR Part 6.
8. Prepare and issue a contract modification to exercise the option.	8. Comply with FAR 17.207(g).

UNIT 59 OPTIONS

Tasks **Related Standards**

UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

February 1999

Part A: Establishing Task and Delivery Order Contracts

Duty	Establish task and delivery order contracts.
Conditions	Given a purchase request, recurring requirements for services, and a determination to satisfy the requirement by establishing a task or delivery order contract
Overall Standard(s)	Identify and correctly apply the policies and procedures for establishing task and delivery order contracts.

Part B: Orders From FAR Part 8 Sources

Duty	Issue orders for supplies and services from FAR Part 8 sources.
Conditions	Given a purchase request and a determination to consider ordering from a FAR Part 8 Source (from Unit 9).
Overall Standard(s)	Comply with applicable FAR Part 8 policies and procedures. Correctly determine whether price reductions and other terms may be negotiated.

Part C: Orders From Single Award Task and Delivery Order Contracts

Duty	Issue orders against contracts.
Conditions	Given a purchase request and a determination to order against a single award indefinite delivery contract.
Overall Standard(s)	Correctly verify that the requirement is within the scope, period and maximum value of the contract. When ordering, comply with terms and conditions of the contract and FAR Part 16.505(a).

UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part D: Ordering Against Multiple Award Task and Delivery Order Contracts

Duty	Order against a task or delivery order contract
Conditions	Given a multiple award contract and a purchase request
Overall Standard(s)	Correctly determine whether the requirement is within the scope, period and maximum value of the contract.. Properly adhere to the contract's ordering procedures and selection criteria. Fairly consider all awardees for each order (where such consideration is required).

Part E: Orders Under Basic Ordering Agreements

Duty	Determine whether to order against the BOA; prepare and issue orders against BOAs.
Conditions	Given a Basic Ordering Agreement (BOA) and a request to order under the BOA.
Overall Standard(s)	When ordering under a BOA, correctly determine whether the requirement is covered by the scope and intent of the BOA and the extent of competition required for the order. Do not obligate the Government to pay more than a fair and reasonable price (or ceiling price, for unpriced orders) for the work to be performed. Correctly interpret and apply the BOA's terms and conditions on such matters as acceptance of the order.

UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

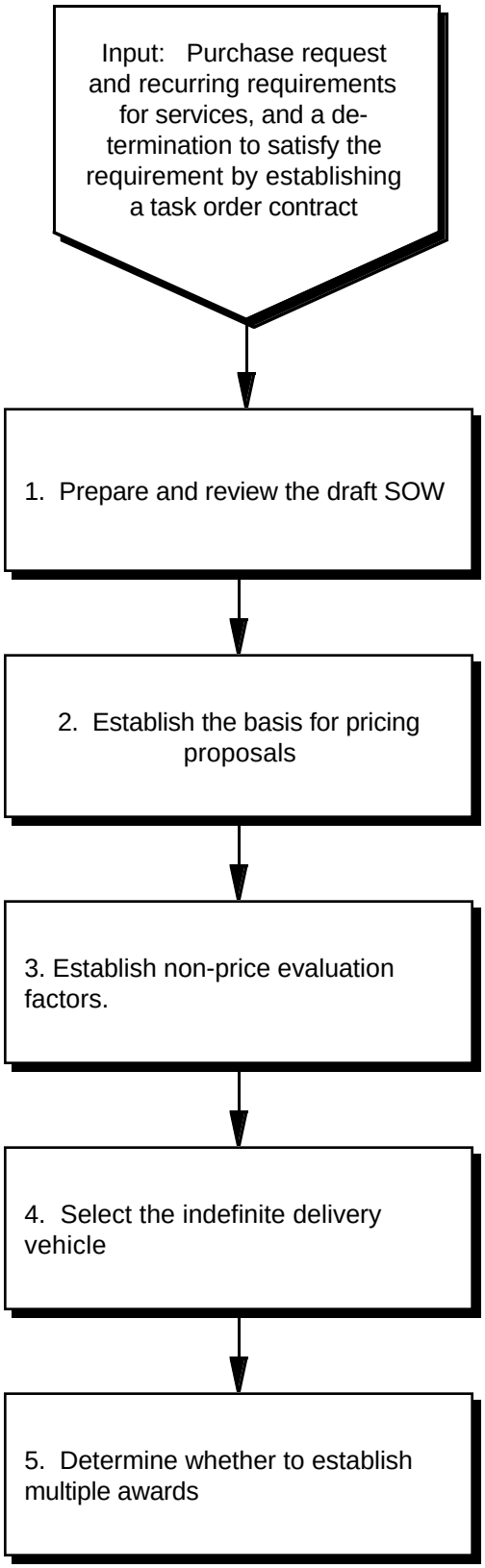
Policies

FAR	*Agency Suppl.*	*Subject*
2.101		Definitions of "task order" and "delivery order".
3.103-3		No need for another Independent Pricing Certificate.
6.001		Part 6—Competition Requirements—not applicable to orders against indefinite delivery contracts if…
8.4		Ordering from the Federal Supply Schedules.
8.604 8.605(c)		Ordering from Federal Prison Industries.
8.705 8.707 thru 712 8.714		Ordering from JWOD participating nonprofit agencies.
13.003(a)		Requirements of FAR Part 13 not applicable to ordering against Federal Supply Schedules, other FAR Part 8 sources, and indefinite delivery contracts.
16.505		Indefinite delivery contracts.
16.703		Basic ordering agreements (BOAs).
25.107		GSA responsibilities for compliance with the Buy American Act.
27.304-2		Patent clauses when contracts are placed by or for other Government agencies.
37.602		Statements of work for task order contracts and orders under task order contracts; encouragement of multiple awards for such contracts.[1]
52.216-18 through 22 52.216-27 and 28		Related clauses.

Other KSA's

Other Policies and References (Annotate As Necessary):

[1] FAC 97-01.



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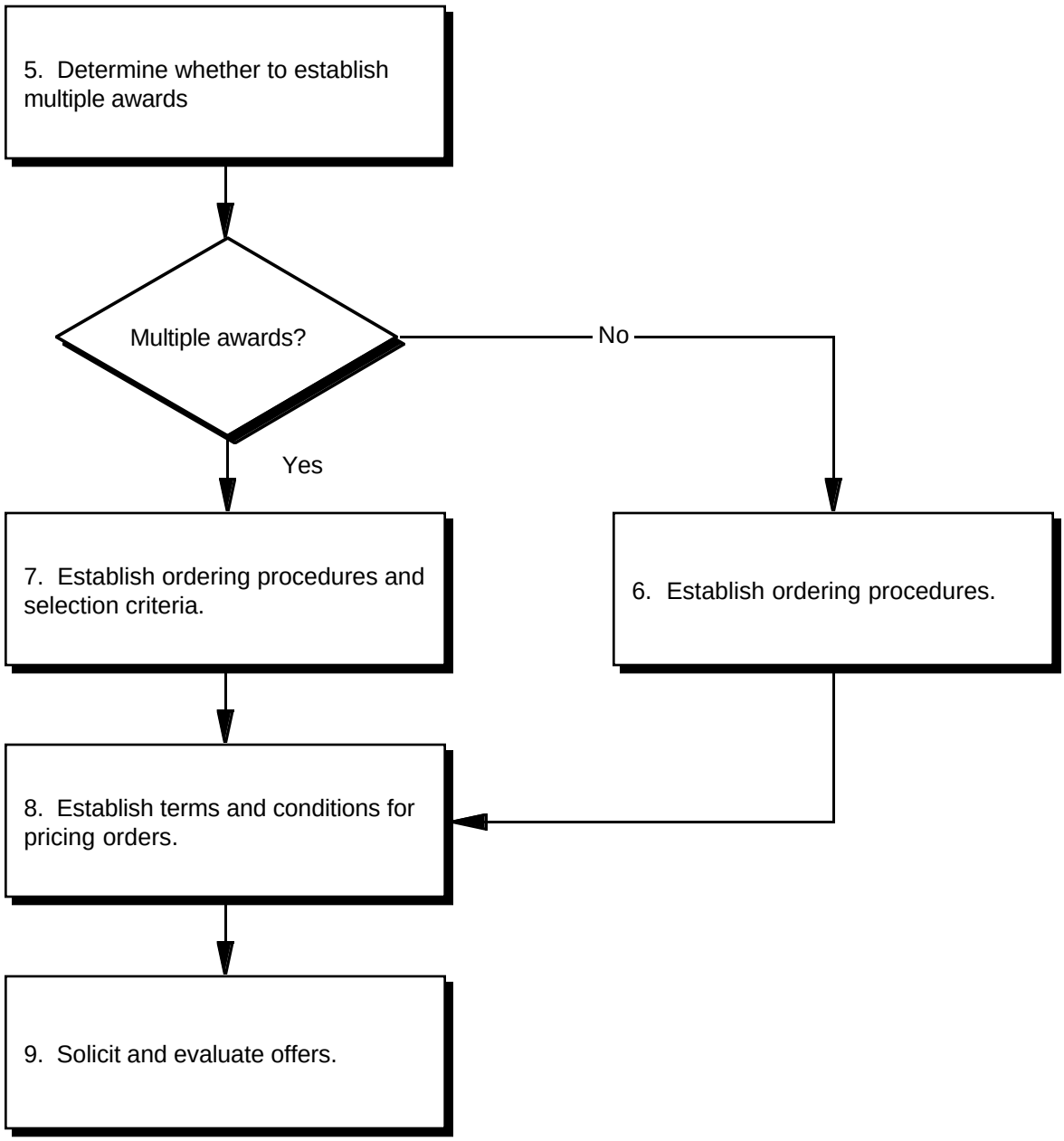


UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part A: Establishing Task and Delivery Order Contracts

Tasks	Related Standards
1. Prepare and review the draft statement of work (SOW). Also identify and include: • The number of options and period for which the contract may be extended under each option. [§16.504((a)(4)(i)] • Terms and conditions required or necessary regarding minimum or maximum limits on the contractor's obligation to deliver and the Government's obligation to order. [§16.503(a) and §16.504(a)] • Terms and conditions required or necessary regarding maximum or minimum quantities that the Government may order under each individual order and the maximum that it may order during a specified period of time. [§16.503(a) and §16.504(a)]	A1. The SOW "reasonably describes the general scope, nature, complexity, and purpose of the supplies or services to be acquired under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer." §16.504((a)(4)(ii) If the contract is for advisory and assistance services, the ordering period generally may NOT exceed five years (counting all options or modifications). §16.505(c) Quantity limits may be expressed either as numbers of units or as dollar values.
2. Establish the basis for pricing proposals as part of the source selection for award of the overall contract. Among alternatives for task order contracts, you might require offerors to: • Submit "past performance" information on prices paid by other customers for benchmark tasks and/or their track record in partnering with buyers to reduce total life cycle costs of the services over time. • Price sample tasks or (if an indefinite quantity type of contract) the first tasks that definitely will be ordered. • Propose a fixed price for each type of task (e.g., $20 for oil changes). • Propose fixed rates for different types of labor, with the negotiation for each order to center on number of hours required by labor category. • Propose maximum rates (i.e., ceilings) for each type of labor, with the awardee or awardees allowed to propose lower rates when being considered for any individual order.	

UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part A: Establishing Task and Delivery Order Contracts

Tasks	Related Standards
3. Establish non-price evaluation factors. In particular, consider factors related to — • Past performance. • Key personnel (qualifications, available time, and contractual language to ensure that the contractor uses personnel of equal or better qualifications for work under the contract). • Performance of sample tasks. • Management controls.	A3. Meet the standards for Unit 15.
4. Select the indefinite delivery vehicle. Note: For multiple award contracts, the FAR calls for use of indefinite quantity rather than requirements contracts. Indefinite quantity, multiple award task order contracts guarantee each awardee a stipulated minimum amount of work. §16.501 and §16.505(b)(2)(iv) • For indefinite quantity contracts, also establish (1) the minimum quantity that shall be ordered by the Government and (2) the maximum quantity that the contractor is required to fill. • For requirements contracts, also estimate the aggregate quantity to be ordered and, if feasible, the maximum limit of the contractor's obligation to deliver and the Government's obligation to order.	A4. Observe the limits at FAR 16.503(d) on use of requirements contracts for advisory and assistance services exceeding $10 million and 3 years.

Tasks	Related Standards
5. Determine whether to establish multiple awards.	A5. When awarding a requirements contract, only award to a single contractor. (In requirements contracting, the Government has a "good faith duty to order all requirements from the contractor", and the fact of that good faith duty is what "renders the contract enforceable and not illusory"). When awarding indefinite quantity contracts, generally plan to make multiple awards. Only plan on a single award when you can demonstrate that a single award is in the best interests of the Government, for such reasons as the following. • Only one contractor is capable of providing performance at the level of quality required because the deliverable is unique or highly specialized. • Market research indicates that the Government will get more favorable terms and conditions, including pricing, if a single award is made. • The cost of administration of multiple contracts would probably outweigh any potential benefits. • Likely tasks are so integrally related that only a single contractor can reasonably perform the work. • Estimated value of the contract is less than SAT. §16.504(c)(1) You must make multiple awards if a contract for advisory and assistance services would exceed 3 years and $10,000,000 (including options). There are only three exceptions to this requirement. • Prior to soliciting, the contracting officer (or other designated official) determines in writing that the services required under the task order contract are so unique or highly specialized that it is not practicable to award more than one contract (e.g., because likely tasks are so integrally related that only a single contractor can reasonably perform the work). • After evaluating offers, the contracting officer (or other designated official) determines in writing that only one offeror is capable of providing the services required at the level of quality required. • Only one offer is received. §16.503(d) & 504(c)(2)

Tasks	Related Standards
6. If the decision is single award, draft ordering procedures for the solicitation.	A6. Only delegate ordering authority to individuals who have the proper training and ability to properly carry out delegated authority. Key issue -- on task order contracts, should the contracting officer delegate authority to place orders to CORs or other ordering officials? This may be possible when the task order contract establishes a fixed price for each task (e.g., $2,000 + travel to conduct each session of "Cost Analysis"). Delegating such authority may NOT be advisable if the task order contract only establishes labor rates and provides for negotiating material costs and labor hours order by order. In that case, only delegate ordering authority to personnel trained in cost analysis and negotiation techniques.

Tasks	Related Standards
7. If the decision is multiple award, draft selection criteria and ordering procedures for the solicitation. §6.001(f), §16.504(a)(4) and §16.505(b)	A7. Contracting officers have broad discretion regarding the factors that are relevant to the placement of orders. When drafting such procedures: • Avoid methods (such as allocation) that would not result in fair consideration being given to all awardees prior to placing each order. (However, particularly with respect to an indefinite-quantity contract, it may be necessary to place an order with each awardee to "satisfy a minimum guarantee" (see §16.505(b)(2)(iv))). • You may allow the use of oral proposals and streamlined ordering procedures. • The ordering procedures need NOT comply with the competition requirements of Part 6. The Government does NOT have to prepare formal evaluation plans for placing an individual order. The Government does NOT have to score or rank quotes and offers from awardees when considering them for an order. • The contract's ordering procedure and selection criteria may expressly state that the Government NEED NOT contact every awardee prior to placing an order. This may be appropriate when: – The contracting officer has sufficient information to fairly consider every awardee for the order based on the selection criteria stated in the contract, OR – There is an applicable exception under §16.505(b)(2) to the "fair consideration" requirement. For example, the selection criteria may allow use of past performance information or prices charged or on cost control under previous task orders for the purpose of selecting the contractor to receive the next task order; and require a complete cost/price proposal from the selected awardee.

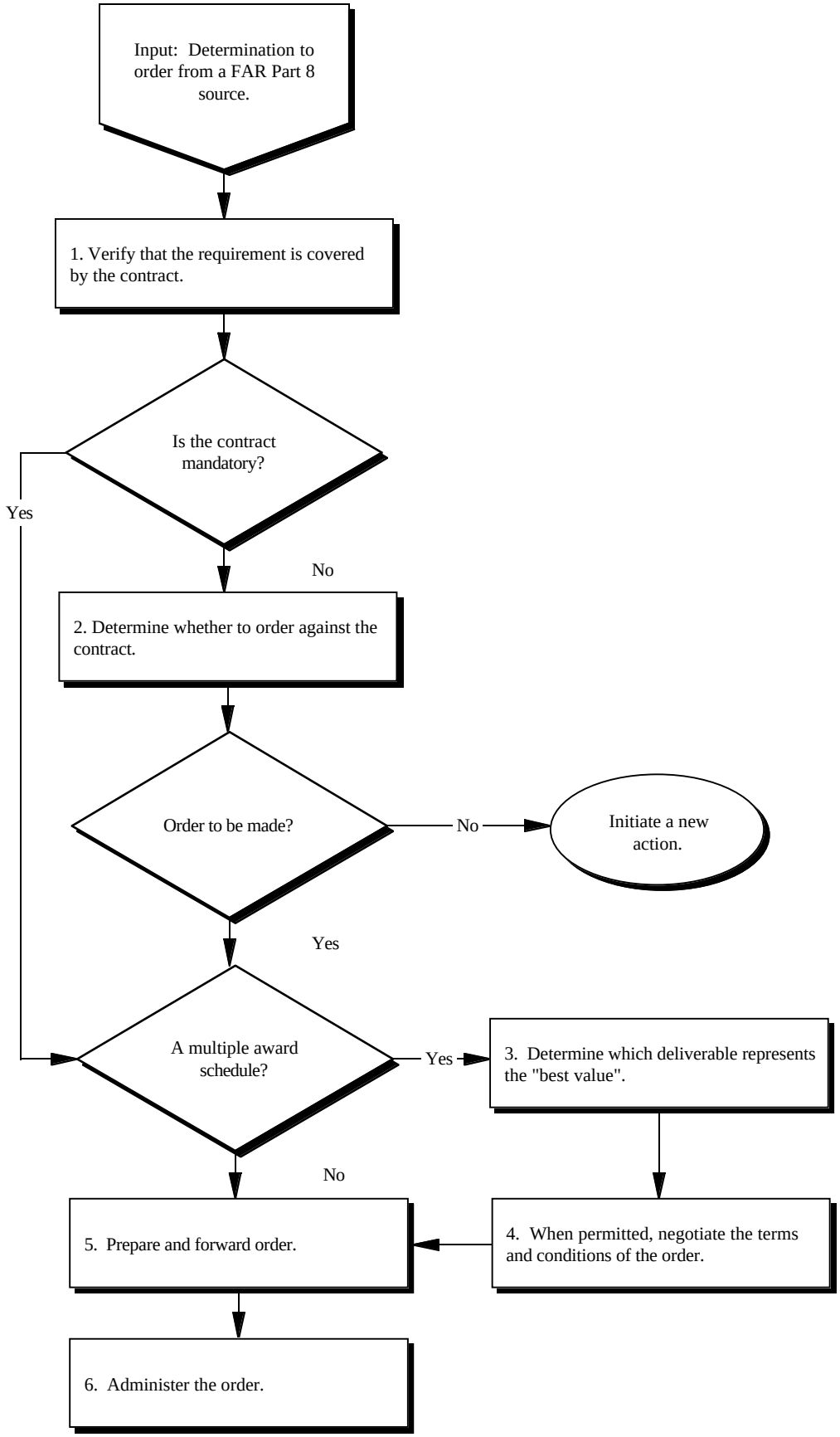
The FAR does NOT require you to solicit offers or quotes (however informally) prior to placing an order. You may elect to solicit, evaluate, and/or negotiate terms of the order. Whether you conduct such order-by-order solicitations depends on the selection criteria and procedures in the task order contract.

Alternatively you can write the contract to explicitly avoid the "arms-length" solicitation and evaluation process characteristic of FAR Part 15 awards. Instead, the task order contract can call for consideration based on such factors as specific skills and past performance in partnering to reduce the total life cycle costs of Federal programs and improve their quality. Having selected an awardee on such criteria, the actual drafting of the statement of work and pricing of the work can be done collaboratively with the selected awardee. In this case, you would base

Tasks **Related Standards**

price reasonableness on such evidence as cost information volunteered by the vendor, prices of comparable tasks, and recommendations from the awardee for reducing the overall life cycle cost of the Federal program supported by the contract. As is customary in industry, the contractors should be told upfront that the goal is to reduce program costs over time (while increasing program effectiveness) — and that the contractor is expected to add value by helping the buyer accomplish that goal (and will be so judged as part of the past performance evaluation).

8. Establish the terms and conditions for pricing individual task orders.	A8. You may provide for any appropriate cost or pricing arrangement. §16.501-2(c)
9. Solicit and evaluate offers. When preparing solicitations for task order contracts: • Insert the provision at §52.216-27, Single or Multiple Awards, in solicitations for indefinite quantity contracts that may result in multiple contract awards. Do NOT use this provision, however, in solicitations for advisory and assistance services contracts that exceed three years and $10,000,000 (including all options). • Insert the provision at 52.216-28, Multiple Awards for Advisory and Assistance Services, in solicitations for task order contracts for advisory and assistance services that exceed three years and $10,000,000 (including all options) unless a determination has been made under 16.504(c)(2)(i)(A). • You may modify these provisions to specify the number of awards the Government reasonably estimates that it may make.	A9. Meet standards for Units 24 through 52.


Input: Determination to order from a FAR Part 8 source.
1. Verify that the requirement is covered by the contract.
Is the contract mandatory?
Yes
No
2. Determine whether to order against the contract.
Order to be made?
No
Initiate a new action.
Yes
A multiple award schedule?
Yes
3. Determine which deliverable represents the "best value".
No
4. When permitted, negotiate the terms and conditions of the order.
5. Prepare and forward order.
6. Administer the order.

UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part B: Orders From FAR Part 8 Sources

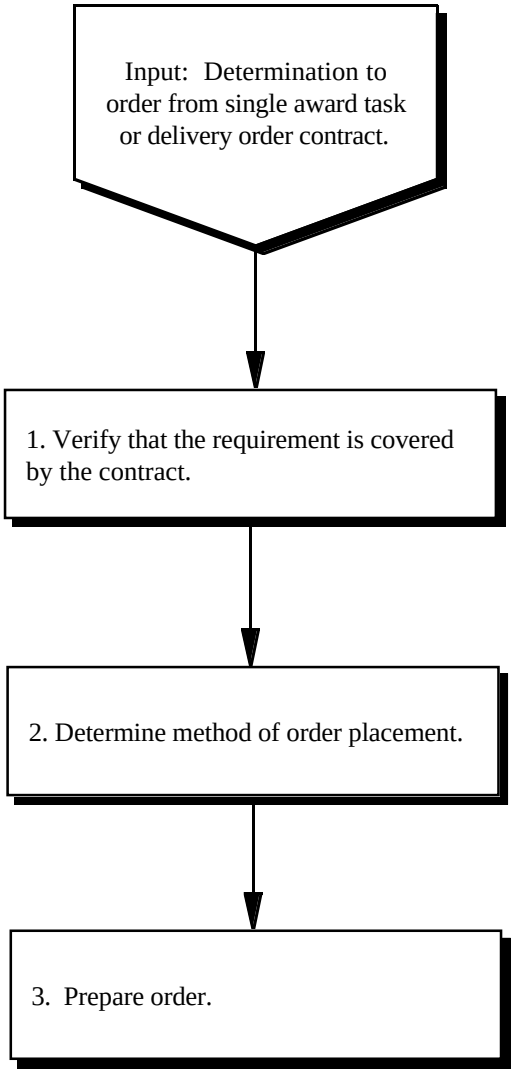
Tasks	Related Standards
1. Verify that the requirement is covered by the contract. • Mandatory use (see Unit 9 for determining whether a required source is applicable and whether an exception to its use applies), or • Optional use.	B1. Correctly identify all requirements covered by existing indefinite delivery contracts.
2. If an optional supply schedule, determine whether or not to order against the contract.	B2. Do not order against the contract if market research (per Unit 5) indicates that the requirement can be better satisfied through a new competitive procurement.
3. If procuring from a multiple award Federal Supply Schedule, determine which schedule deliverable represents the "best value". Consider: • Price lists. • Delivery requirements. • Trade-in considerations. • Probable life. • Special features required in effective program performance. • Warranties. • Maintenance availability. • Past performance. • Environmental and energy efficiency factors. • Other administrative costs.	B3. Identify and consider all reasonably available information about the supply or services offered under MAS contracts by using the "GSA Advantage!" on-line shopping service or by reviewing the catalogs or prices lists of at least three schedule contractors. If the ordering office has available fewer than 3 price lists from current schedule contractors that offer the required items, obtain additional price lists from contractors listed in the GSA schedule for the required items. Correctly identify the deliverable that represents the best value, in terms of meeting the functional need at the lowest overall cost. Document the reasons for ordering a higher priced item.

UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part B: Orders From FAR Part 8 Sources

Tasks	Related Standards
4. Negotiate the terms and conditions of the order.	B4. Plan to negotiate better terms and conditions (using the techniques in Units 37, 45 and 46) when the order exceeds the maximum ordering limit for use of the Schedule terms and conditions. When ordering against optional use schedule contracts, correctly determine when it would be advantageous to negotiate price reductions (e.g., when you find a schedule supply or service elsewhere at a lower price or when a BPA is being established to fill recurring requirements). The potential volume of orders under these agreements, regardless of the size of the individual order, may offer the ordering office the opportunity to secure greater discounts. Schedule contractors are not required to pass on to all schedule users a price reduction extended only to an individual agency for a specific order.
5. Prepare and forward order.	B5. When ordering from Federal Supply Schedules, comply with FAR 8.405-2. When ordering from Federal Prisons Industries, Inc., comply with FAR 8.604. When ordering from Workshops for the Blind and Other Severely Handicapped, comply with FAR 8.705-2, 8.705-3, and 8.707.
6. Administer the order.	B6. Correctly identify and apply unique contract administration policies and procedures of FAR Part 8.405 for Federal Supply Schedule orders with respect to inspection and acceptance (FAR 8.405-3), delinquent performance (8.405-4), default termination (8.405-5), termination for convenience (8.405-6), and disputes (8.405-6). Correctly identify and apply unique contract administration policies and procedures of FAR Part 8.605(c) for supplies produced by Federal Prison Industries. Correctly identify and apply unique contract administration policies and procedures of FAR Part 8.7 for JWOD orders with respect to failure to perform (FAR 8.705-4), payment (8.709), quality assurance and complaints (8.710-711), and specification changes (8.712).

Orders From Single Award Task and Delivery Order Contracts

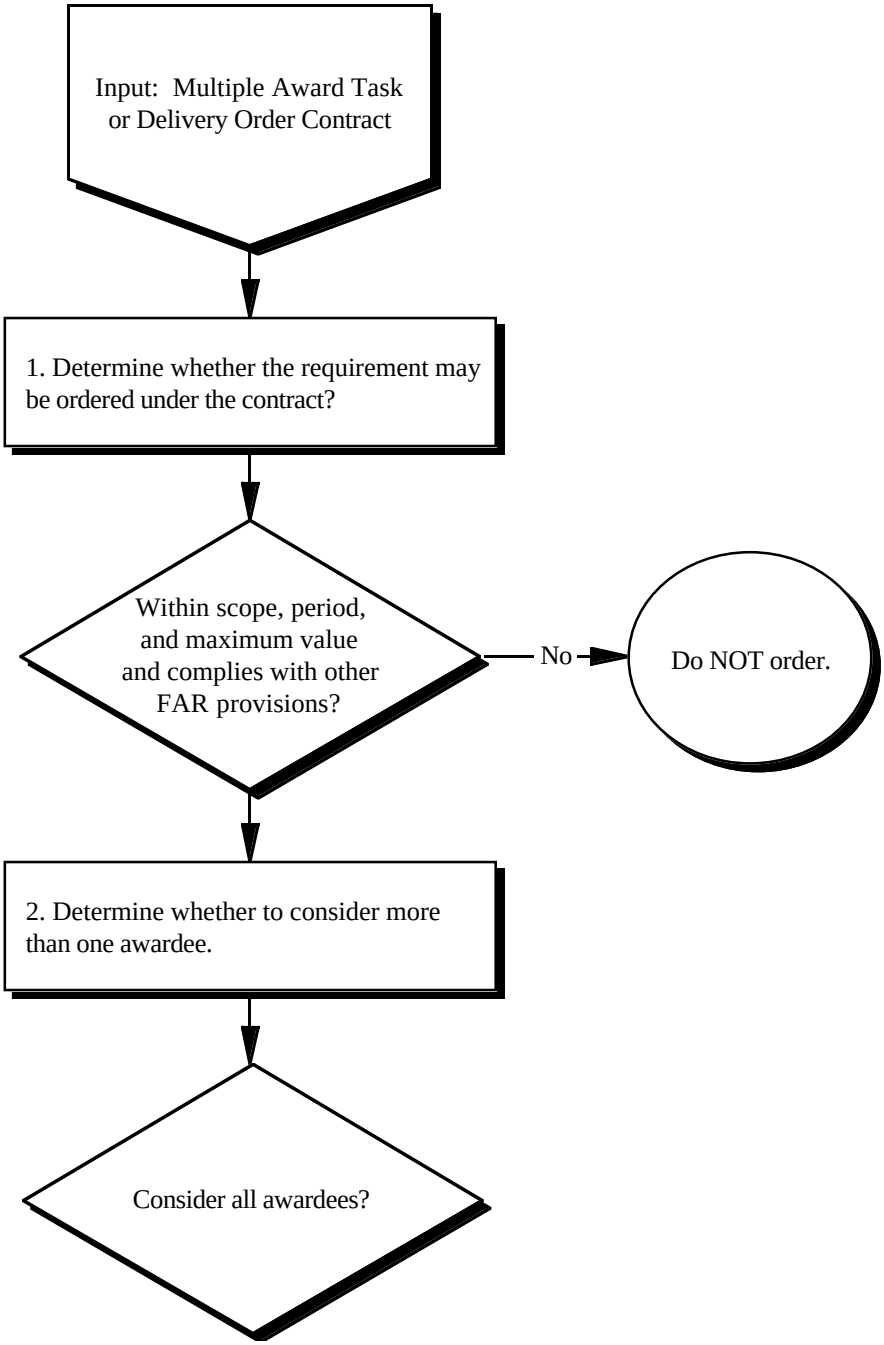


UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

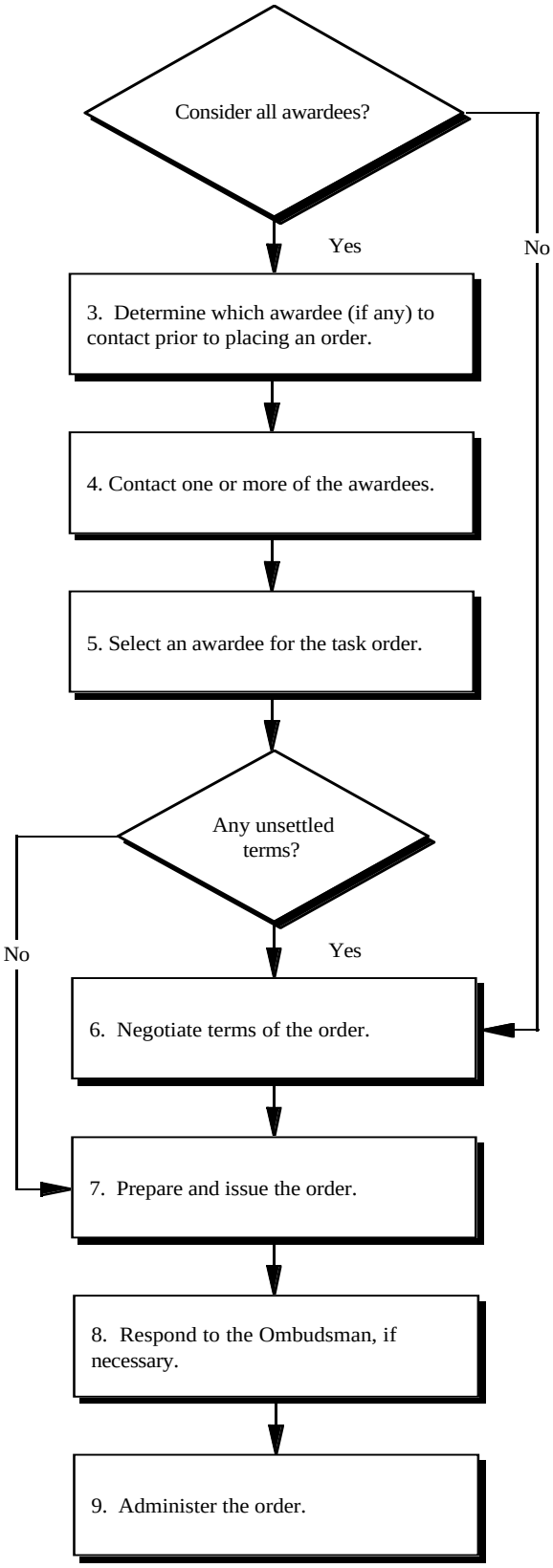
Part C: Orders From Single Award Task and Delivery Order Contracts

Tasks	Related Standards
1. Verify that the requirement may be ordered under the contract.	C1. Only order against the contract when the order would: • Clearly describe all services to be performed or supplies to be delivered. • Be within scope, period and maximum value of the contract. §16.505(a)(2) • NOT be barred by any other limitations (e.g., on nonpersonal services) in the contract or the FAR. • Be in line with all restrictions on advisory and assistance contracts (FAR subpart 9.5).
2. Determine method of order placement: • Oral. • Written (whether in the form of paper, facsimile, or electronic commerce).	C2. Only order orally when authorized by the contract. Oral orders conform with established procedures for obligated funds and are confirmed in writing. Only place orders by facsimile or electronic commerce methods if provided for in the contract.
3. Prepare order.	C3. Orders contain all information required by FAR 16.505(a)(6).

ORDERING AGAINST MULTIPLE AWARD TASK AND DELIVERY ORDER CONTRACTS



ORDERING AGAINST MULTIPLE AWARD TASK AND DELIVERY ORDER CONTRACTS



UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part D: Ordering Against Multiple Award Task and Delivery Order Contracts

Tasks	Related Standards
1. Determine whether the requirement may be ordered under the contract.	D1. Only order against the contract when the order would: • Clearly describe all services to be performed or supplies to be delivered. • Be within scope, period and maximum value of the contract. §16.505(a)(2) • NOT be barred by any other limitations (e.g., on nonpersonal services) in the contract or the FAR. • Be in line with all restrictions on advisory and assistance contracts (FAR subpart 9.5).
2. Determine whether to consider all awardees for the order If (a) the contract was a single award contract or (b) only one awardee will be considered, go to task 6.	D2. When the contract established multiple awards, consider a single awardee for a particular order in excess of $2,500 ONLY IF one or more of the following apply. • Considering all awardees would result in unacceptable delay given the urgency of the need. • Only one awardee can provide the services or supplies of the required quality given the unique or highly specialized nature of the requirement. • A sole-source order is in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order. • An order must be placed with the awardee to satisfy a minimum guarantee. §16.505(b)(2)

Tasks	Related Standards
3. Determine which awardees (if any) to contact prior to placing an order. Subtasks: • Identify information necessary to consider the awardees. • Determine the extent to which needed information is already in hand. • Apply selection criteria from the contract to exclude as many awardees as possible from further consideration prior to informally soliciting offers and/or negotiating terms of the order. • Select one or more awardees for pre-order contact.	D3. You must contact an awardee prior to placing an order if: • The contract requires pre-placement notification to all awardees, OR • You do not have all information necessary to fairly consider the awardee for the order. §16.505(b)(1) Absent pre-placement notification requirements, contact NO awardee if all necessary information is on hand to place an order (e.g., if awardees electronically update fixed prices for specified tasks on a real-time, continuous basis). Comply with the contract's evaluation procedures and selection criteria in excluding awardees from pre-order contact. Document reasons for excluding an awardee from pre-order contact in sufficient detail to convince the Ombudsman that excluded awardees were fairly considered for the order.
4. Contact one or more of the awardees. Potential types of contacts: • Requests for offers or quotes (written and/or oral). • Factfinding related to an offer or quote (if any) or the contract's selection criteria. • Discussions. • Any combination of the above.	D4. Only request quotes or offers when necessary to comply with the contract's selection procedures and criteria. When evaluating offers or quotes, meet applicable standards for Units 35 through 41. When factfinding, meet the standards for Unit 43. When discussing terms, meet the standards for Units 45 and 46.

The FAR does NOT require you to solicit offers or quotes (however informally) prior to placing an order. You may elect to solicit, evaluate, and/or negotiate terms of the order. Whether you conduct such order-by-order solicitations depends on the selection criteria and procedures in the task order contract.

Alternatively you can write the contract to explicitly avoid the "arms-length" solicitation and evaluation process characteristic of FAR Part 15 awards. Instead, the task order contract can call for consideration based on such factors as specific skills and past performance in partnering to reduce the total life cycle costs of Federal programs and improve their quality. Having selected an awardee on such criteria, the actual drafting of the statement of work and pricing of the work can be done collaboratively with the selected awardee. In this case, you would base

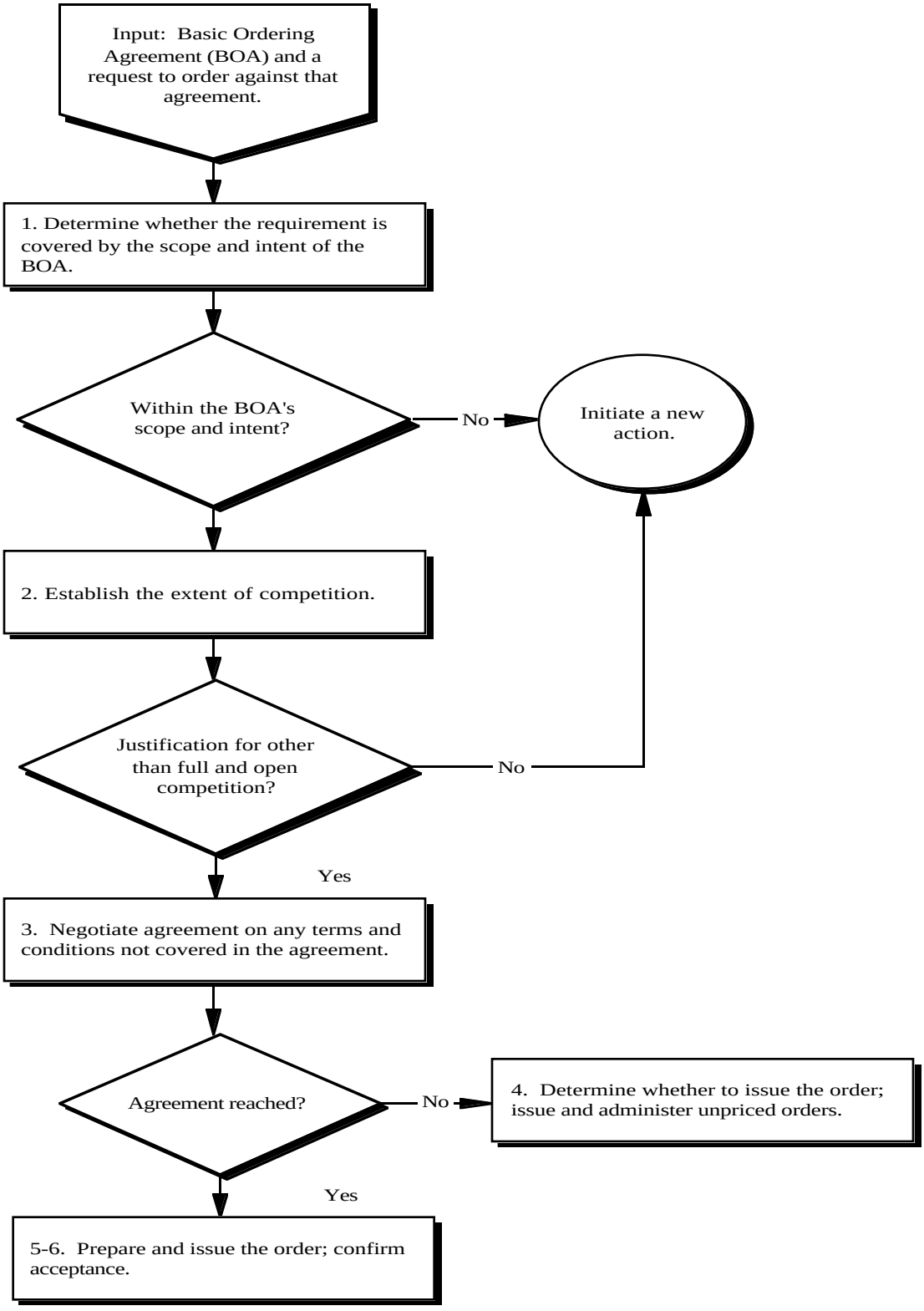
Tasks	Related Standards

price reasonableness on such evidence as cost information volunteered by the vendor, prices of comparable tasks, and recommendations from the awardee for reducing the overall life cycle cost of the Federal program supported by the contract. As is customary in industry, the contractors should be told upfront that the goal is to reduce program costs over time (while increasing program effectiveness) — and that the contractor is expected to add value by helping the buyer accomplish that goal (and will be so judged as part of the past performance evaluation).

5. Select an awardee for the order.	D5. Properly adhere to selection criteria and evaluation procedures specified in the contract.
6. Negotiate terms of the order.	D6. Negotiate any unsettled terms of the order (e.g., when you did not solicit and accept a complete proposal from one of the awardees). In pricing an order, the "competing independently" criterion for "adequate price competition" is satisfied when: • The price of the task is established in the contract at the time of contract award; or • The contracting officer solicits offers from two or more awardees for order placement. [§16.505(b)(3), FAC 90-33, Case 94-711] When negotiating prices based on estimates of direct labor hours by skill category, comply with FAR policies on professional employee compensation, uncompensated overtime, and cost realism *(see AFIT/FAI textbooks for Cost Analysis and Intermediate Contract Pricing)*. When factfinding, meet the standards for Unit 43. When discussing terms, meet the standards for Units 45 and 46.
7. Prepare and issue the order. When informally soliciting offers and placing orders, there is no requirement for worldwide publicity (e.g., a CBD synopsis) under §5.201. §16.505(a)	

Tasks	Related Standards
8. Respond to the appropriate "Task Order Contract And Delivery Order Contract Ombudsman". This will be necessary if the Ombudsman has any questions about the manner in which as order was placed. An ombudsman is a senior agency official independent of the contracting officer. His/her job is to review complaints from awardees and ensure that all are afforded a fair opportunity to be considered, consistent with the procedures in the contract. §16.505(b)(4) GAO will only hear protests of the manner in which an order was placed with an awardee if the protest alleges that the order increases the scope, period, or maximum value of the contract. §16.505(a)(7)	
9. Administer each order.	D9. Meet applicable standards from Units 54 through 84.

BASIC ORDERING AGREEMENTS



UNIT 60 TASK AND DELIVERY ORDER CONTRACTING

Part E: Orders Under Basic Ordering Agreements

Tasks	Related Standards
1. Before issuing an order, determine whether the requirement is covered by the scope and intent of the BOA. Factors: • Dollar amount of individual order. • The terms and conditions of the original BOA. • The request for supplies or services under the BOA.	E1. Order against the BOA only when the conditions that justified the original BOA are met by this procurement. Make certain of currency of the BOA, given any modifications, before issuance of order.
2. Establish the extent of competition (per Unit 10). • Determine whether the order falls under simplified acquisition thresholds (if so, observe requirements for competition under FAR Part 13). • Determine whether the BOA source is the only known, responsible source. Before placing the order, a synopsis is required to verify the absence of other sources. • Determine whether urgency justifies placing or competing orders with companies with whom BOA's have been established that cover the requirement (no synopsis required). • Otherwise, issue a new solicitation.	E2. Ensure that the use of the BOA is not prejudicial to other offerors.
3. Negotiate agreement on any terms and conditions (e.g., price, quantity, time, and place of delivery) not covered in the original BOA. If prices were not fixed in the original BOA: • Obtain price proposal. • Analyze market conditions and pricing data to develop and support the Government's prenegotiation position on price (see Unit 37). • Conduct negotiations and obtain agreement on price (per Units 43 and 45-46).	E3. Identify all terms and conditions left open under the BOA. If fast payment is included, observe FAR 13.403.

Tasks	Related Standards
4. If there is failure to reach a price agreement for an order to be issued, determine whether to order. Consider: • The contractor (what is the risk, given past behavior, that the contractor will try to take advantage of the situation). • Urgency of the need. • Production/delivery leadtimes. • Possibility of developing other suppliers. • Cost of reprocuring against extra cost that might be incurred by reason of the unfavorable situation.	E4. Do not issue order when there is substantial risk of incurring an unreasonable price unless there is absolutely no alternative. Do not issue the order without a reasonable ceiling price and then only when: • The BOA provides adequate procedures for timely pricing of the order early in its performance period, or • The need for the supplies or services is compelling and unusually urgent. If the decision is to order: • Issue the order with a unilaterally established ceiling price (per Unit 37 or 40). • Invite contractor to submit a price proposal and negotiate a supplemental agreement. • If a satisfactory agreement on price is not negotiated prior to completion of work under the order, inform the contractor that he/she may file a dispute under Disputes Clause of Contract (See Unit 82). In no event price an entire order retroactively. Do not issue a modification unless the price is fair and reasonable.
5. Prepare and issue the order.	E5. Obtain justifications and approvals, as well as any determinations and findings, required for the order (e.g., to justify less than full and open competition as described in Unit 10)—as though the order were a contract awarded independently of the BOA. Order as prepared should conform to FAR 16.703(d)(2).
6. Confirm acceptance by the contractor. • If contractor provides notice of rejection per the BOA's terms and conditions, determine the validity of contractor's grounds for rejection. • If the contractor has no valid grounds for refusing to accept the order, see Unit 65. • If the contractor claims excusable delay, determine whether the delay is in fact excusable (per Unit 62)	E6. Comply with procedural formats in the agreement for acceptance or rejection, if any were established by the terms and conditions of the BOA.

Tasks	Related Standards

UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

September 1998

Part A: Compliance with the Schedule

Duties	1. Monitor performance by contractor and Government personnel. 2. Respond to contractor requests and perform any other actions required of the contracting officer. 3. Inform the contractor of any problems or potential breaches. 4. Informally resolve problems.
Conditions	Given a contract, the contract administration plan, and any other related document referenced in the contract.
Overall Standard(s)	Correctly identify all performance-related terms and conditions of the contract (i.e., the Contract Schedule), including the statement of work and/or other requirements documents, packaging and marking terms and conditions, inspection and acceptance terms and conditions, delivery or performance schedules, contract administration data requirements, and any other special contract requirements. Monitor actions of contracting officer representatives and other support personnel to preclude constructive changes, excusable delay, and other avoidable postaward problems. Identify and document performance problems; promptly notify the contractor. Accurately assess the impact of potential problems on performance, schedule, and cost. Resolve problems, where possible, without resorting to a formal contractual remedy

UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

Part B: Protecting contractor employee whistleblowers.

Duty	Respond to complaints by contractor employees of reprisals for disclosing substantial violations of law.
Conditions	Given a contract and allegations by contractor employees of substantial violations of law.
Overall Standard(s)	Accurately describe the process for investigating complaints of reprisals for disclosures of "substantial violations of law" and potential remedies. Refer such complaints to the Inspector General.

UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

Policies

FAR	*Agency Suppl.*	*Subject*
1.602-3		Ratification of unauthorized commitments.
3.9		Whistleblower Protections for Contractor Employees
4.7		Contractor records.
8.405-3		Inspection of items acquired through the Federal Supply Schedule program.
8.605(c)		Disputes regarding price, quality, character, or suitability of supplies produced by FPI, Inc.
8.7		Inspection and acceptance of items ordered from JWOD participating nonprofit agencies; resolving problems.
9.307		First article testing
12.208 & 12.402		Contract quality assurance and acceptance (contracts for commercial items).
13.101(a)		Providing for the inspection of supplies or services as prescribed in 46.404.
42.4		Correspondence and visits with the contractor.
42.11		Production surveillance and reporting.
42.16		Small business contract administration.
43.104		Notice of constructive changes.
46.1		General policies and responsibilities for inspection and acceptance.
46.401		Government contract quality assurance.
46.5		Acceptance.
46.6		Material Inspection and Receiving Reports.
52.209-3 and 209-4		First article testing
52.211-5		Responding to contractor requests to substitute used or surplus materials for new materials.
52.211-8 and 211-9		Delivery times.
52.211-16 through 18		Variation in quantity.
52.212-4 (a)&(n)		Inspection and acceptance terms of contracts for commercial items.
52.212-4(r)		Whistleblower protections re: commercial contracts.
52.242-2		Production progress reports.
52.242-12		Reports of shipments.
52.246-1 through 52.246-9; 52.246-11		Inspection and acceptance clauses.
52.246-15		Certificates of conformance.
52.246-16		Responsibility for supplies.

52.247-29 through 247-44; 52.247-48; 52.247-58; 52.247-59; and 247-61 through 64)		Delivery terms.

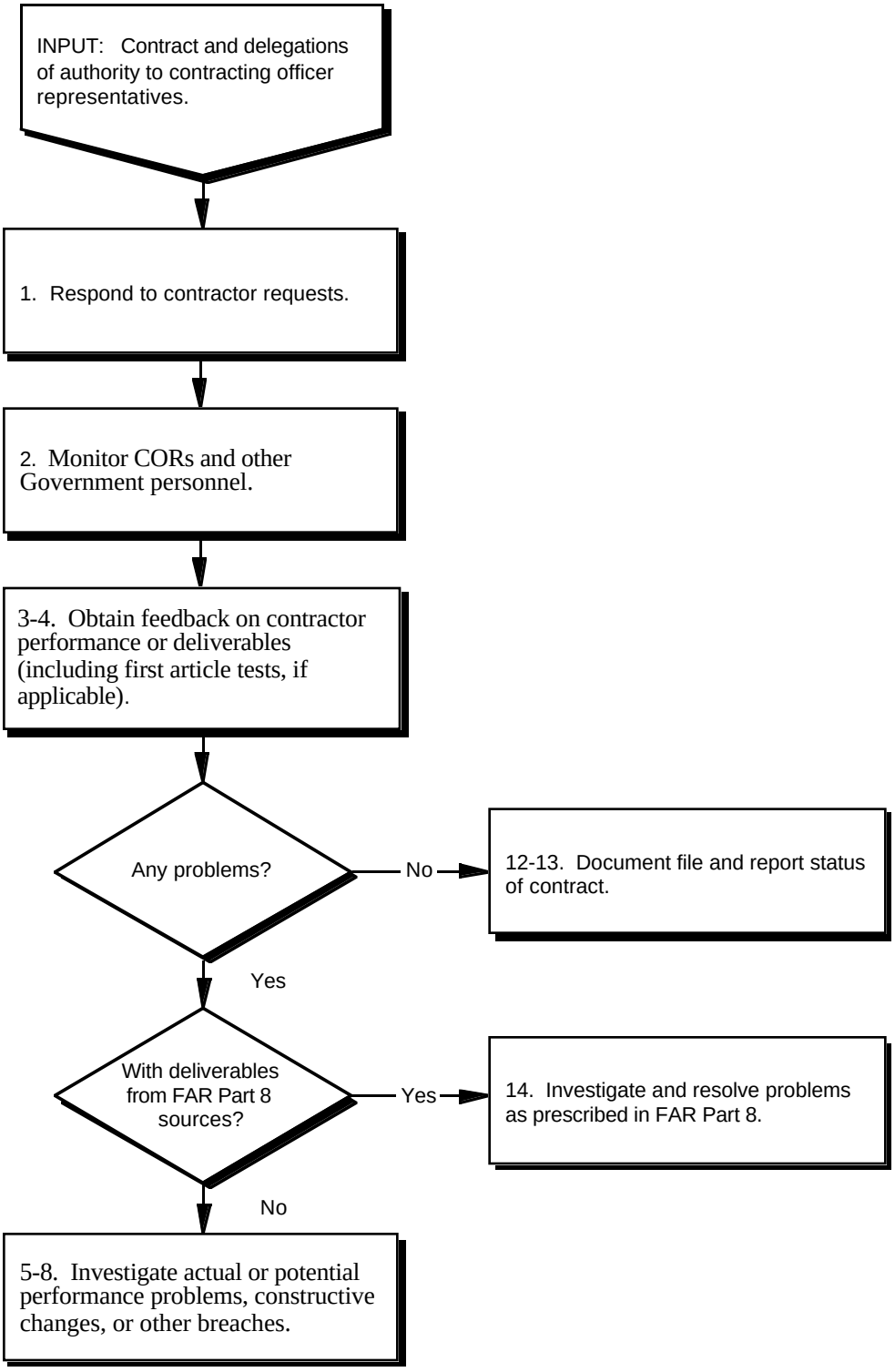
Other KSA's

1. Knowledge of contract terms and conditions that involve inspection, acceptance, or other aspects of contract performance (including any special contractual remedies provided in the clause for breach of that clause), including:

- Supplies Or Services And Prices (Uniform Contract Format (UCF) Section B)
- Descriptions/specifications (UCF C)
- Packaging and marking (UCF D)
- Inspection and acceptance (UCF E) and related FAR clauses.
- Deliveries or performance (UCF F) and related FAR clauses.
- Contract administration data (UCF G)
- Special contract administration requirements (UCF H)
- Contract clauses (UCF I)

Other Policies and References (Annotate As Necessary):

MONITORING, INSPECTION, AND ACCEPTANCE



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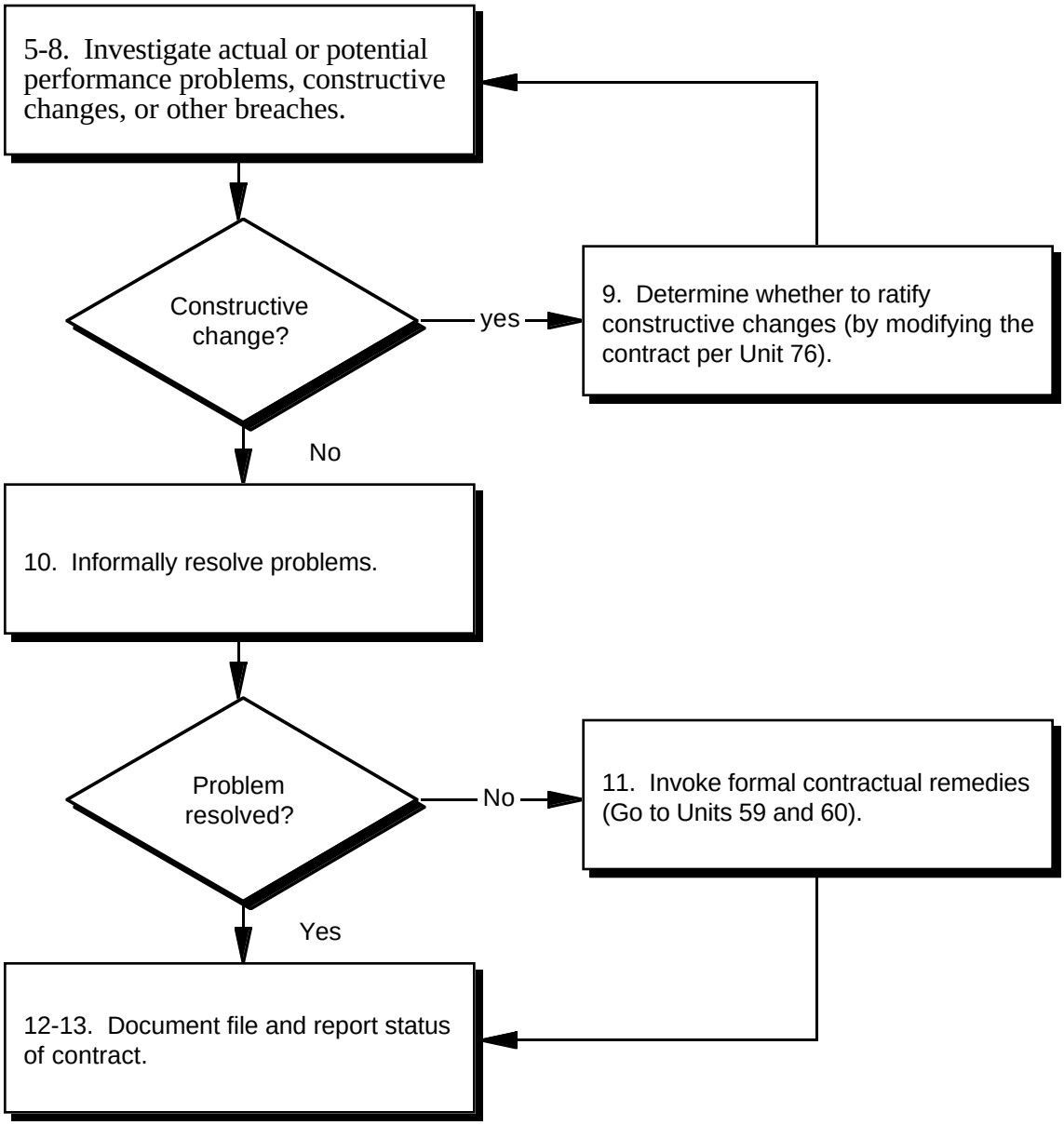


UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

Part A: Performance Monitoring and Acceptance

Tasks	Related Standards
1. Respond to contractor requests. Examples: • Requests to pay overtime per FAR 52.222-2. • Requests to substitute used or surplus materials for new materials (e.g., FAR 52.211-5 and 211-7), and the like.	A1. Correctly identify the contract clause (if any) that matches the request. Resolve the request as provided in the clause.
2. Monitor contracting officer representatives (CORs) and other support personnel. • Obtain copies of any written correspondence between the Government and contractor. • Instruct contractors to submit notices of potential constructive changes per FAR 43.104. • Tell CORs and other support personnel to report any verbal exchange with the contractor which involves performance, price, and other substantive contract requirements. • Periodically contact CORs and other support personnel and obtain any required reports (per milestones in the contract administration plan). • Identify other evidence of constructive changes (e.g., through site visits, requests for change orders from the contractor, invoice items, or amounts not contemplated in contract).	A2. Contact CORs and other support personnel at minimum per schedule in the plan. Obtain information on contacts between contracting officer representatives and the contractor. Identify and, where possible, forestall constructive changes before official notice from the contractor. Ensure that the CORs properly carry out their roles and responsibilities within the limits of their authority, within time limits established in the contract, and in compliance with FAR 42.1104(d) and 43.102.
3. Obtain feedback on contractor performance or deliverables. From: • In-process inspections (if any). • Pre-acceptance inspections (if any). • Post-acceptance inspection or use. Sources: • Contracting officer representatives (e.g., via reports per FAR 42.1106(d)). • Persons responsible for inspection and acceptance (e.g., via inspection or receiving report forms or commercial shipping documents and packing lists). • Requiring activities and/or end users. • Personal site visits/observation of work (scheduled and unscheduled). • Contractor reports (e.g., production progress reports, shop plans, shop travelers, blueprints, stick drawings, wiring diagrams, PERT charts, and subcontract orders). • Subcontractor complaints.	A3. Conduct monitoring, data collection, inspection, and acceptance as provided in the contract (e.g., FAR clauses at 52.212-1, 212-2, 246-2 through 246-9; 246-11, 246-15, 246-16, 247-29 through 247-44, 247-48, 247-58, 247-61; and 247-62), the contract administration plan, and related FAR provisions (e.g., 46.1, 46.401 and 46.5). Obtain sufficient data to verify satisfactory performance. Recognize any evidence of potential performance problems or other breach by either contractor or Government personnel. Handle correspondence with the contractor and visits to the contractor as prescribed in FAR 42.4.

Tasks	Related Standards
4. Perform duties related to first article testing (if applicable).	A4. Correctly state the ACO's and CO's responsibilities for first article testing under FAR 9.307 and the applicable clause in Part 52 (e.g., 52.209-3 or 52.209-4).
5. Verify and document evidence of actual or potential performance problems, constructive changes, or other breaches. Potential sources: • Personal observation. • The contractor. • Contracting officer representatives. • Auditors. • Quality assurance personnel. • Requiring activity and end users.	A5. Correctly identify the terms and conditions at issue (if any). Start with the contractor. Contact only those individuals necessary to verify evidence. Data should be sufficient to identify both the symptoms and causes of any potential problems. Identify and obtain corrections to any Government report (inspection, etc.). Inform the requiring activity.
6. Determine potential impact on cost, delivery, and other requirements.	
7. Determine whether to stop work pending resolution of the problem.	A7. If there is a need to stop work while the problem is being resolved, follow the procedures in Unit 63.
8. Investigate potential or actual delays (if any).	A8. If the contractor claims that a pending or actual delay is excusable, investigate and resolve the issue of excusability as provided in Unit 62.

UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

Part A: Performance Monitoring and Acceptance

Tasks	Related Standards
9. Determine whether to ratify constructive changes.	A9. Correctly identify officials with authority to ratify constructive changes. Only ratify a constructive change when all of the following are true. • The Government has already accepted the changed deliverables or the Government otherwise has benefited or will benefit from the change. • The ratifying official has the authority to enter into a contractual commitment. • The resulting change would otherwise have been proper if made by an appropriate contracting officer. • The contracting officer determines the price to be fair and reasonable. • The contracting officer recommends payment and legal counsel concurs in the recommendation, unless agency procedures expressly do not require such concurrence. • Funds are available and were available at the time the unauthorized commitment was made. • The ratification is in accordance with any other limitations prescribed under agency procedures. Modify the contract per Unit 58. Respond to related claims per Unit 82.
10. Resolve problems informally (where possible). Alternatives to a formal contractual remedy: • Informal agreement on corrective steps. • Memorandum of concern to request a written plan from the contractor for correcting performance: - Statement of the problem. - Suggested corrective steps. - Response time. - Place for contractor to sign acknowledgment of receipt. • Contract modification (see Unit 58).	A10. Attempt to reach informal resolutions prior to invoking a formal remedy. Assist the contractor in identifying and solving performance problems.
11. Invoke formal contractual remedies.	A10. If the contractor is unwilling or unable to resolve a problem with its performance, invoke a formal contractual remedy (by using the procedures in Unit 64/65).

Tasks	Related Standards
12. Document the file.	
13. Inform the requiring activity and other interested parties of the contract's status.	
14. Investigate and resolve problems resulting from the shipment, reception, inspection, and acceptance of deliverables from required sources. • Federal Supply Schedule contractors. • Federal Prison Industries, Inc. • JWOD participating nonprofit agencies.	A14. Correctly describe the procedures for resolving problems with the performance of required sources of supply in FAR 8.405-3, 8.605(c), 8.705-4, 8.708, 8.710, 8.711, 8.712, and 8.714.

UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

Part B: Protecting contractor employee whistleblowers

Tasks	Related Standards
1. Document and report disclosures made by contractor employees concerning substantial violations of law related to agency contracts.	B1. Correctly identify disclosures concerning "substantial violations of law". Properly document (in the form of memoranda for record) all disclosures. Report all such disclosures to appropriate agency officials (e.g. the Inspector General (IG), a criminal investigator, procurement fraud advisor etc.).
2. If such advice is requested, advise contractor employees of their rights under FAR subpart 3.9.	B2. Correctly describe such rights and disclosure procedures.
3. Refer contractor employee complaints of reprisal actions to the IG.	

UNIT 61 MONITORING, INSPECTION, & ACCEPTANCE

Part B: Protecting contractor employee whistleblowers

Tasks	Related Standards

UNIT 62 DELAYS

September 1998

Duties	1. Determine whether the delay is excusable. 2. If excusable, determine the consideration (e.g., a performance time extension).
Conditions	Given the contract and evidence of performance delays.
Overall Standard(s)	Correctly distinguish delays that are beyond the contractor's control and are without the fault or negligence of the contractor. Negotiate reasonable consideration.

UNIT 62 DELAYS

Policies

FAR	*Agency Suppl.*	*Subject*
8.708(c)		Resolving delays pursuant to orders from JWOD participating nonprofit agencies.
12.403(c)		Requirement that contractors notify the Government of excusable delays.
22.101-2(b)		When a work stoppage can be considered an excusable delay.
33.213		Obligation to continue performance—even when the contractor has filed a claim.
42.1304		Government delay of work
49.401(b)		No termination for default if the delay was excusable.
52.212-4(f)		Excusable delay (commercial contracts).
52.213-4(e)		Excusable delay (simplified acquisitions – other than commercial items).[1]
52.242-17		Government Delay of Work
52.249-8 and 52.249-9		Default clauses (including language on excusable delays).
52.249-14		Excusable delays (under cost reimbursement contracts).

Other KSA's

1. Knowledge of criteria and conditions for distinguishing excusable from nonexcusable delay.

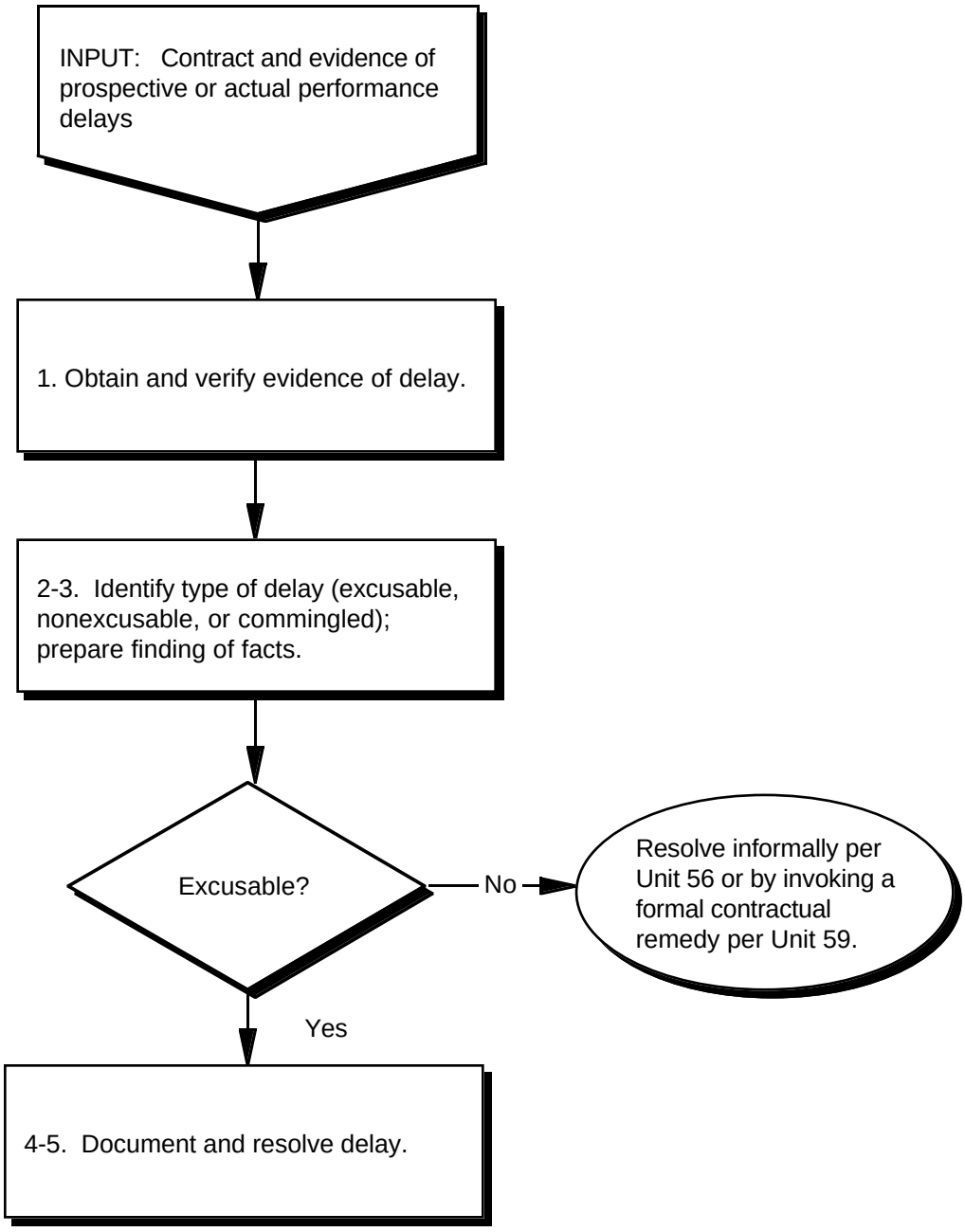
2. Knowledge of typical examples of excusable delays (e.g., acts of God or the public enemy; acts of the Government in either its sovereign or contractual capacity, fire, floods, epidemics, quarantine restrictions, strikes (but see FAR 22.101-2(b)), freight embargoes, unusually severe weather, and defaults by subcontractors when supplies or services in question could not have been obtained from other sources in sufficient time to meet the required delivery schedule).

3. Knowledge of what damages are recoverable (Government negligence or fault) and not recoverable (neither party at fault).

Other Policies and References (Annotate As Necessary):

[1] FAC 97-03.

DELAYS


INPUT: Contract and evidence of prospective or actual performance delays
1. Obtain and verify evidence of delay.
2-3. Identify type of delay (excusable, nonexcusable, or commingled); prepare finding of facts.
Excusable?
No
Resolve informally per Unit 56 or by invoking a formal contractual remedy per Unit 59.
Yes
4-5. Document and resolve delay.

UNIT 62 DELAYS

Tasks	Related Standards
1. Obtain and verify evidence of delay. Based on: • Feedback from monitoring, inspection and acceptance (per Unit 61) • Notice from the contractor under FAR clause 52.212-4 or 52.213-4 or • A contractor's claim under the clause at FAR 52.242-17.	1. Upon notice of an unordered delay or interruption covered by the clause at 52.242-17, act to end the delay or take other appropriate action as soon as practicable. However, do not use that clause to order a suspension, delay, or interruption of the contract work or as the basis or justification for such an order. If the delay is the consequence of a change order, handle the equitable adjustment as provided in the changes clause.
2. Identify the type of delay. • Excusable. • Nonexcusable (in which case, informally resolve the problem (per Unit 61) or invoke a formal remedy (per Unit 64 or 65). • Commingled (in which case, informally resolve the problem (per Unit 61) or invoke a formal remedy (per Unit 64 or 65) for the nonexcusable period of delay).	2. Correctly distinguish delays that are beyond the contractor's control and are without fault or negligence of the contractor. Identify commingled delays (i.e., delays resulting from both excusable and nonexcusable causes). Correctly apply the criteria in FAR 22.101-2(b) to determine whether a strike constitutes an excusable delay. For nonexcusable delays, the onus is on the contractor to demonstrate ability to comply with the delivery schedule or offer consideration. Correctly distinguish delays that are excusable under the FAR 52.212-4 and 52.213-4[2] but NOT under the clauses at FAR 52.249-8 through 249-10 and 249-14.

[2] FAC 97-03.

UNIT 62 DELAYS

Tasks	Related Standards
3. Prepare a finding of facts on the delay. • Description of the delay. • A list of persons with factual knowledge of the delay. • Relevant statements or evidential facts. • A history of performance, indicating when work under the contract began. • Progress made to date. • Reasons for believing the delay is excusable and determination on any nonexcusable part of the delay. • Extent to which the Government might be liable for recoverable damages associated with the delay. • The contractor's remaining obligations under the contract. • The contractor's expectations regarding completion.	3. Accurately document factual support of a determination that the delay was excusable at least in part.
4. Given a finding of excusable delay, develop a position on modifying the delivery schedule or other contractual requirements. • Estimate the length of time that the excusable cause can reasonably be expected to delay performance, given the contract "as is." • Identify alternatives to extending the delivery period, such as: - Employment by the contractor of additional shifts, personnel, or other resources. - Change in method of shipment (e.g., use of express mail). - Change in the requirement (e.g., deletion of a low priority task from the SOW, if such deletion would shorten the "critical path"). - Termination for convenience.	4. Consult the requiring activity in: • Estimating a reasonable period of additional time to perform (if applicable), • Identifying potential alternatives for modifying the requirements at issue, and • Considering the pros and cons of each such alternative (e.g., need for a bilateral modification and any likely equitable adjustment in price to implement the alternative).

UNIT 62 DELAYS

Tasks	Related Standards
5. Resolve excusable delays. • Negotiate a bilateral agreement per Unit 58 to modify the delivery schedule or other contractual requirements. • Respond to any claims (per Unit 82) for recoverable damages based on assertions that the excusable delay resulted from: - An act of the Contracting Officer in the administration of the contract that was not expressly or implicitly authorized by the contract, or from - A failure of the Contracting Officer to act within the time specified in the contract, or within a reasonable time if not specified. - Other such acts, or failure to act, by the Government.	

UNIT 63 STOP WORK

September 1998

Duties	1. Determine the need to stop work. 2. Prepare and issue stop work orders. 3. Issue resume work orders.
Conditions	Given a contract with a stop work clause, relevant data (e.g., on the contractor's actual cost experience to date) and evidence of a need to stop work.
Overall Standard(s)	Stop work when necessary to: • Prevent incurrence of unnecessary cost (especially when the Government no longer has a need for the requirement). • Minimize the risk of incomplete or unsatisfactory performance. • Institute changes in design or production methods that will better meet the requirement.

UNIT 63 STOP WORK

Policies

FAR	*Agency Suppl.*	*Subject*
42.1303		Stop-work orders.
52.242- 15		Stop-Work Order

Other KSA's

1. Knowledge of benefits to contractor from complying with an oral stop work order even though such orders, given orally, have no legal standing.

2. Skill at building working partnerships with contractors in accomplishing common goals.

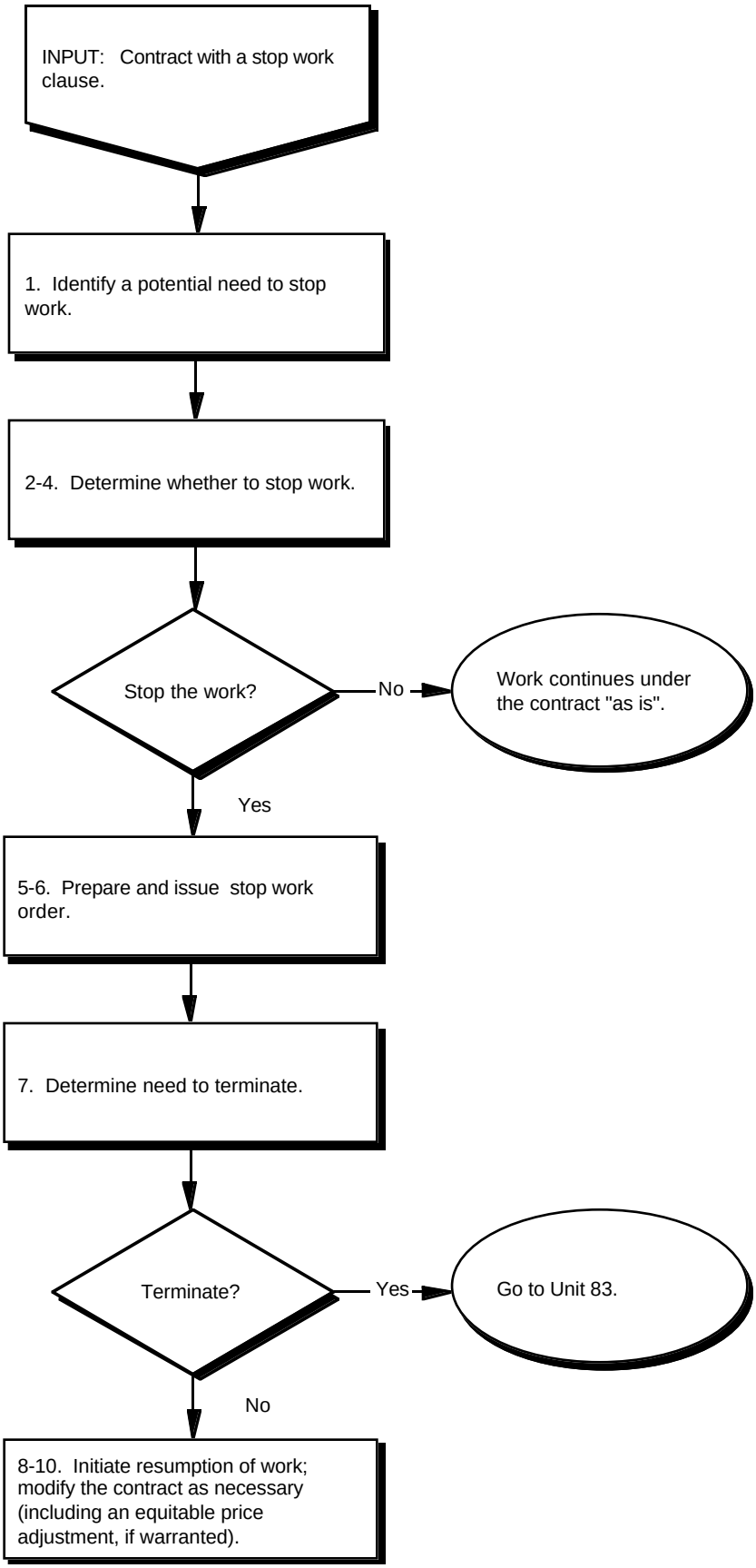
3. Skill at "making the contractor whole," for any loss incurred from stoppage--whether or not a legal remedy or duty exists.

4. Knowledge of typical reasons for using a stop work order.

5. Knowledge of consideration..

Other Policies and References (Annotate As Necessary):

STOP WORK


INPUT: Contract with a stop work clause.
1. Identify a potential need to stop work.
2-4. Determine whether to stop work.
Stop the work?
No
Work continues under the contract "as is".
Yes
5-6. Prepare and issue stop work order.
7. Determine need to terminate.
Terminate?
Yes
Go to Unit 83.
No
8-10. Initiate resumption of work; modify the contract as necessary (including an equitable price adjustment, if warranted).

UNIT 63 STOP WORK

Tasks	Related Standards
1. Identify a potential need to stop work. • Initiation by the contracting officer (e.g., when the Government cannot furnish property or services per the contract schedule; when the contracting officer has received a request by quality assurance personnel to stop the line and calibrate tools; when terminating for cause or default per Unit 83—provided that the stop work order is not used in lieu of a termination notice). • Initiation by contractor (e.g., the Government needs time to consider a proposal under the value engineering clause that would incorporate a production or engineering breakthrough). • Initiation by requiring activity (e.g., for consideration of contract modifications that would substantially change the end product).	1. Correctly recognize conditions under which a stop work order might be in the Government's interest. Only issue stop work orders if there is such a clause in the contract and if it is advisable to suspend work pending a decision by the Government and a supplemental agreement providing for the suspension is not feasible.
2. Establish a time frame ("on or about," i.e., period of delay).	
3. Determine the impact of stopping the work. • Monetary (per the techniques in Unit 40). - Labor (pay for idle time). - Damage to perishable goods. - Overhead (e.g., inventory, indirect labor, etc.). • Delay in meeting performance requirement.	2. Maximum of 90 days for unilateral stoppages under the stop work clause at 52.242-15. Any further extension must be made through a supplemental agreement.
4. Decide and document whether or not to stop the work. • Origin, purpose, and benefits of stopping the work. • Cost. • Alternatives to stopping the work (if any). • Why the stop order (rather than a supplemental agreement) should be used.	4. Recommend the most cost effective or practical solution to the problem, in terms of the program requirement.
5. Issue the oral or written stop work order and obtain the contractor's signature. • Description of the work to be suspended. • Instructions regarding the contractor's issuance of further orders for materials or services. • Guidance on actions to be taken on any subcontracts; other suggestions for minimizing costs. • Effective date and time. • Resume "on or about." • Nature or reason. • The contractor's right to file a claim under the clause at 52.242-15.	5. Do not issue oral stop work order unless written follow-up is provided. Oral instructions to stop work are not binding until the written follow-up has been received. The written stop work order should conform to FAR 42.1303(c).

UNIT 63 STOP WORK

Tasks	Related Standards
6. Discuss the stop work order with the contractor and modify the order, if necessary, in light of the discussion. • Present the reason for the stoppage. • Obtain an estimate of labor and other costs of expected stoppage. • Present alternatives considered by Government and obtain the contractor's feedback (additional alternatives and additional data bearing on considered alternatives). • Effective date and time; resume "on or about."	6. Give the contractor an opportunity to provide alternatives. Correctly explain what costs the contractor is entitled to recover for the stoppage. Reach a bilateral agreement in writing to any extension of the work stoppage beyond 90 days.
7. Determine need to terminate the contract (per Unit 83).	7. Any decision to terminate should be made within the period of the stop work order. If terminated, allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.
8. Contact the parties responsible for the stoppage and the requiring activity daily to determine when work can resume.	
9. Call the contractor with an oral go ahead and/or prepare written cancellation of the stop work order.	9. The contractor resumes work upon receipt of the cancellation or if the period of the order (or any extension thereof) expires.
10. Modify the contract in writing. Based on: • The contractor's claim for an equitable adjustment in the delivery schedule, price, or both under the Stop-Work Order clause. • Changes, if any, in the Government's requirement (e.g., resulting from acceptance of a value engineering proposal).	10. Only make an equitable adjustment when: • The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of the contract, and • The Contractor asserts a claim for the adjustment within: - 30 days after the end of the period of work stoppage, or - When the facts warrant receiving and acting on the claim, before final payment under the contract.

UNIT 63 STOP WORK

Tasks	Related Standards

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

September 1998

Duties	Part A.	Select a formal contract remedy.
	Part B.	Issue a cure notice.
	Part C.	Reject nonconforming supplies or services.
	Part D.	Obtain redress under a warranty clause.
	Part E.	Obtain redress under implied warranties (e.g., merchantability or fitness for a particular purpose).

Conditions

Given contracts with FAR clause 52.212-4 or purchase orders for other than commercial items, the contract file, evidence of performance problems, and documentation of informal attempts to resolve the problems.[1]

Overall Standard(s)

Select the remedy that will best minimize the impact of contractor performance problems on performance, delivery, and cost. Obtain reasonable consideration for any relief granted the contractor from the contract's original terms and conditions. Document all decisions and contacts with the contractor sufficient to support the Government's position in disputes or court proceedings. Correctly follow prescribed procedures for the remedy.

[1] Note: For the purpose of training this Unit, do NOT use contracts with addenda to 52.212-4 that incorporate additional remedies (e.g., liquidated damages). Use contracts that incorporate commercial warranties; also use contracts with NO addenda that limit or replace the language at FAR 52.212-4(a) and 212--4(o).

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Policies

FAR	*Agency Suppl.*	*Subject*
8.405-4		Remedies for problems with Federal Supply Schedule contractors.
12.208		Contract quality assurance.
12.213 & 12.302		Incorporating other remedies which are considered customary commercial practice.
12.402		Acceptance.
12.403		Termination for cause.
12.404		Warranties.
12.503		Inapplicable laws (i.e., inapplicable remedies).
22.1022 and 1023		Failure to comply with the Service Contract Act.
22.1307		Failure to comply with 52.222-35—Affirmative Action for Special Disabled and Vietnam Era Veterans
22.1407		Failure to comply with 52.222-36—Affirmative Action for Handicapped Workers
23.506		Failure to comply with requirements to maintain a drug-free workplace.
46.407		Nonconforming supplies or services.
46.701, 46.702, 46.706, & 46.709		Warranties.
46.8		Contractor liability for loss of or damage to Government property resulting from post acceptance defects.
49.607		Delinquency notices.
52.212-4(a)		Rejecting non-conforming deliverables before and after acceptance.
52.212-4(j)		Risk of loss.
52.212-4(m)		Termination for cause.
52.212-4(o)		Warranties of merchantability and fitness for a particular purpose.
52.212-4(p)		Limitation of liability for consequential damages from defects or deficiencies in accepted items.
52.213-1		Fast Payment Procedure — independent right to require replacement, repair or correction of supplies within 180 days from the date that title vests in the Government.
52.213-4(d)		Rejecting non-conforming deliverables before and after acceptance: Simplified acquisitions — other than commercial items.[1]
52.213-4(g)		Termination for cause: Simplified acquisitions — other than commercial items.
52.213-4(h)		Warranties of merchantability and fitness for a particular purpose: Simplified acquisitions — other than commercial items.
52.219-16		Liquidated damages for failing to comply with the subcontracting plan (if 52.219-16 was incorporated by an addendum to 52.212-4).
52.222-26		Cancellation, suspension, or termination of the contract under FAR 52.222-26, "Equal Opportunity" (incorporated by reference if checked in FAR 52.212-5).
52.222-41		Withholding of payments and termination (if checked in FAR 52.212-5).
52.246-17 through 20		Warranty clauses.

[1] FAC 97-03 established the clause at 52.213-4.

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

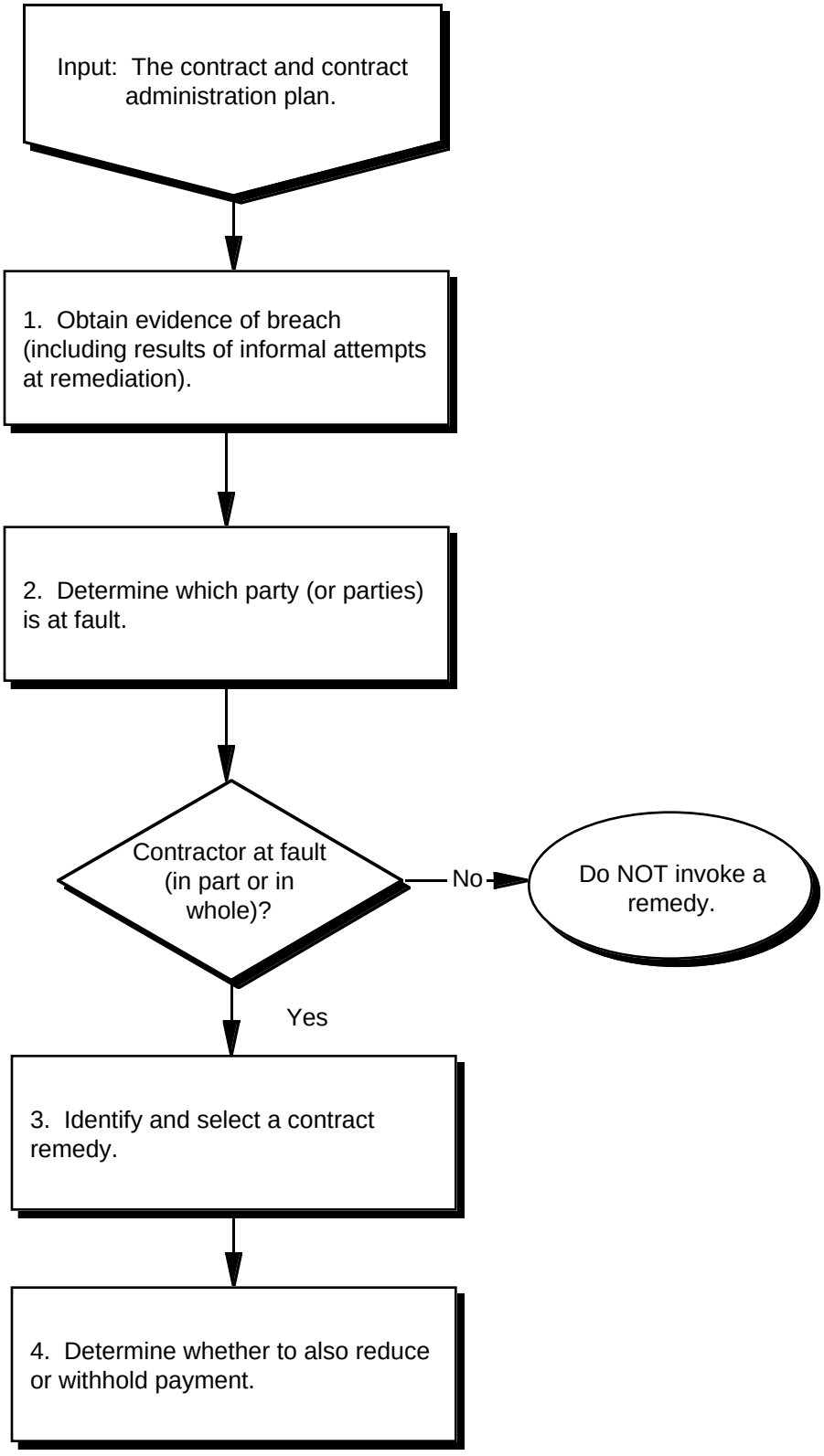
Other KSA's

1. Knowledge of:
   - The most likely procedural errors and skill at avoiding them.
   - "Implied warranties" and the consideration owed the Government for breach of same.
   - The purpose of liquidated damages clauses (as motivation, not as penalty).
   - The possibility that the Government may lose some or all of remaining rights if it manifests acceptance of nonconforming acts. (It is now unreasonable to enforce these rights due to contractor reliance upon acceptance.)
   - The possibility that continuing acceptance of "partial performance" will constructively modify the duty for substantial performance.
   - Tests for invoking remedies.
   - Examples of actual implied warranties and language that courts have ruled to be "puffing of the wares"

2. Commercial Law

Other Policies and References (Annotate As Necessary):

Selection of Remedies



UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part A. Selection of Remedies

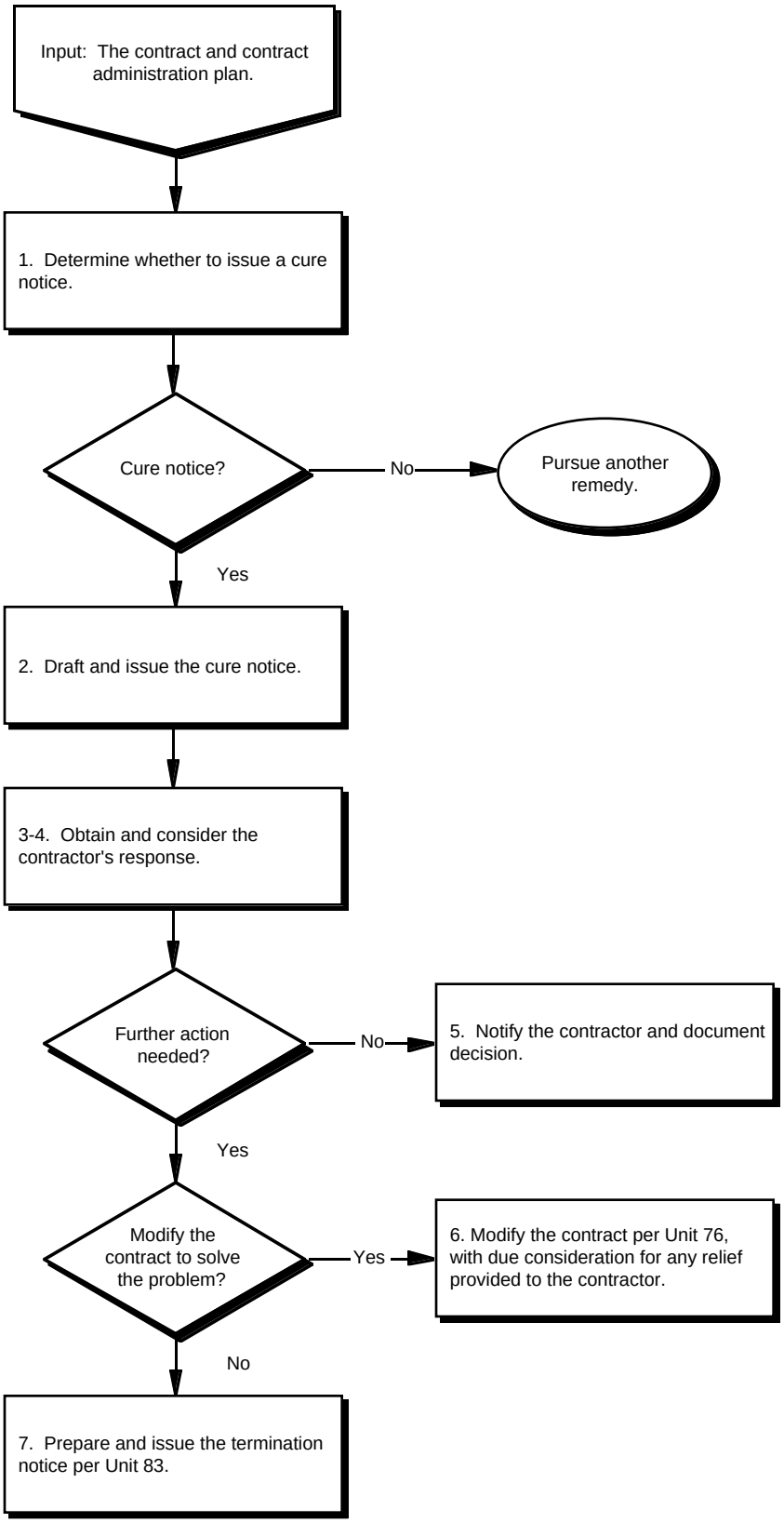
Tasks	Related Standards
1. Obtain evidence of any reported failure to perform or other breach (from Unit 61) • Anticipated or actual late delivery. • Failure to control costs. • Unsatisfactory performance.	A1. Collect all related facts, including the contractor's reactions to Government complaints.
2. Determine whether either of the parties (or both) is in noncompliance with contract requirements. Consider both: • Contract language. • Extrinsic evidence (e.g., contractor representations regarding the quality, condition, description, or performance potential of the deliverable).	A2. Correctly apply standards and rules for interpreting contractual language. If at issue, correctly determine whether contractor representations regarding the quality, condition, description, or performance potential of the deliverable were part of the "basis of the bargain", given the: • Price negotiation memorandum (what was said and contemplated during the negotiation). • The contractor's proposal, and • The contract itself. Correctly distinguish between express warranties and "mere puffing of the wares." Accurately verify that the Government has carried out its promises, duties, and responsibilities. For example: • Furnishing of suitable Government property at the specified time and place. • Implied duty to cooperate and not hinder performance. • Implied duty to disclose information vital for preparation of estimates or contract performance. • Implied duty to provide contractors with factually correct information (e.g., on applicable laws). • Implied warranty of specifications. Analyze potential contractor defenses: • Impracticability of performance. • Mutual mistakes. • Unconsionability. Identify and consider all potential Government defenses (e.g., disclaimers and exculpatory clauses; sovereign acts doctrine).

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part A. Selection of Remedies

Tasks	Related Standards
3. Identify and select one or more contractual remedies. • Cure notice. • Rejection of supplies or services before or after acceptance. • Remedies under a commercial Warranty clause (if incorporated as an addendum to 52.212-4). • Remedies under implied warranties (e.g., the warranty of merchantability, or the warranty of fitness for a particular purpose.) • Any other remedies provided in the specific clause that was breached. • None (e.g., acceptance of a minor nonconformance under FAR 46.407(f)). • Notice of termination for cause.	A3. Remedy(ies) best match the problem and reflect extent (if any) to which the Government is at fault. Issue a cure notice only when you have sufficient reason to terminate for cause — don't bluff. (see Unit 83). For instructions on issuing a notice of termination for cause, see Unit 83.
4. Determine whether to reduce or withhold payment (per Unit 67). • Commercial finance payments under FAR 52.232-29(a) or 232-30(a) • Payment for deliverables.	A4. Withhold or reduce payment: • As provided in the contract for the remedy being invoked, or • To reflect any downward adjustment in the priced agreed to by the contractor.

Cure Notice


Input: The contract and contract administration plan.
1. Determine whether to issue a cure notice.
Cure notice?
No
Pursue another remedy.
Yes
2. Draft and issue the cure notice.
3-4. Obtain and consider the contractor's response.
Further action needed?
No
5. Notify the contractor and document decision.
Yes
Modify the contract to solve the problem?
Yes
6. Modify the contract per Unit 76, with due consideration for any relief provided to the contractor.
No
7. Prepare and issue the termination notice per Unit 83.

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part B: Cure Notices

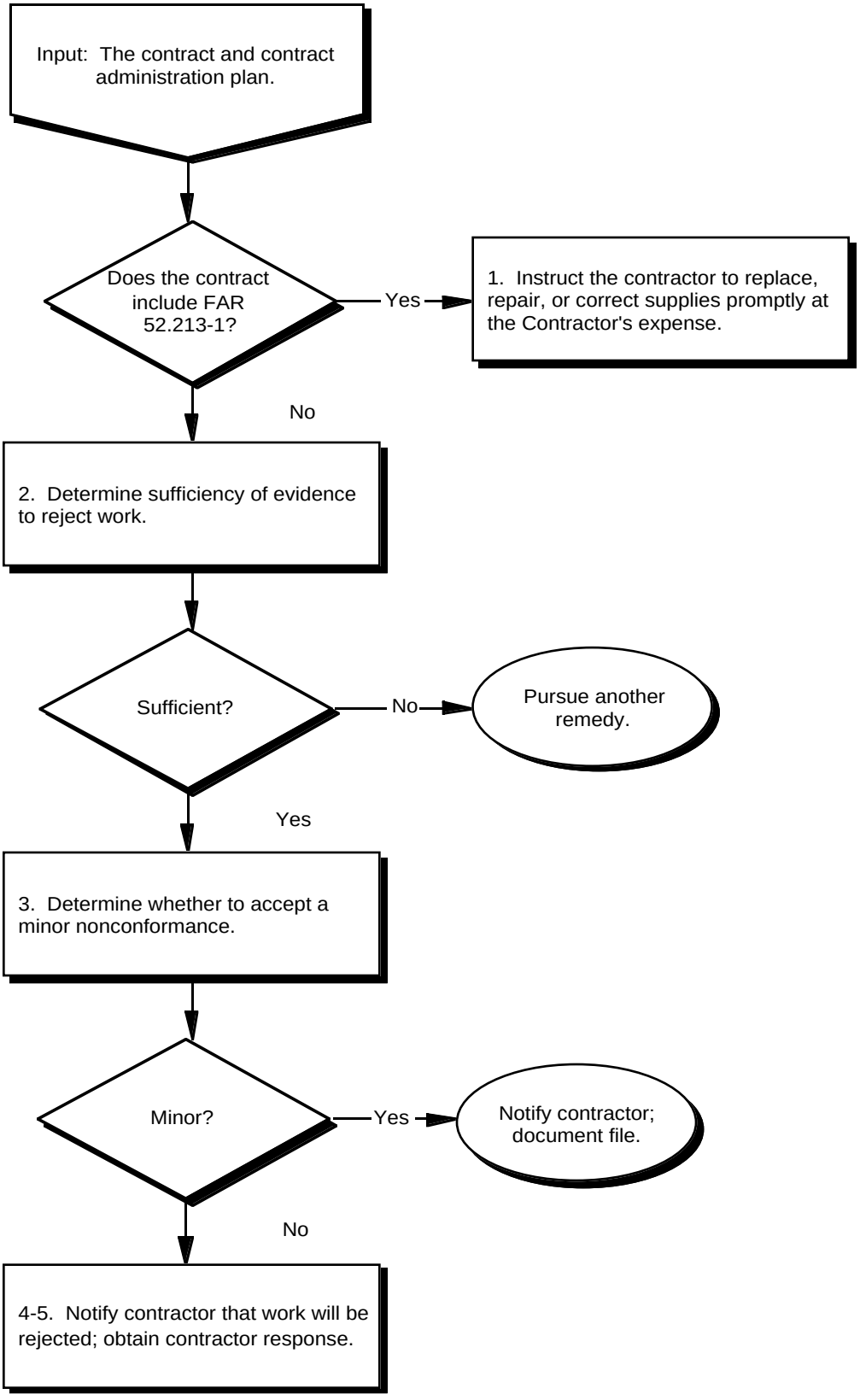
Tasks	Related Standards
1. Determine whether to issue a cure notice.	B1. Select the cure notice only if time remaining in the contract delivery schedule is sufficient to permit a realistic "cure" period of 10 days or more. Otherwise, prepare either a show cause or termination notice.
2. Draft and issue the cure notice.	B2. Prepare and issue the notice as provided in FAR 49.402-3 and 49.607. Must "make contractor aware of defects" (cure stops other remedies for 10 days).
3. Obtain contractor's response and determine the validity of any supporting data offered by the contractor (see Unit 61). Examples of possible contractor responses: • Offer to "cure" performance. • Offer to provide substantial performance in exchange for relief from some provisions of the contract. • Case for excusable delay. • Agree with the notice's facts and offer no solution. • No response.	
4. Determine the next step. Alternatives: • Take no further action, • Modify the contract, or • Begin proceedings to terminate for cause (see Unit 83).	B4. Take no further action only if the contractor provides sufficient evidence that performance will be "cured" within the delivery or performance schedule. Modify the contract only if the contractor provides sufficient evidence that the requirement will thereby be substantially met within a period of time acceptable to the requiring activity and with appropriate consideration for any relief from the contract's requirements. Do not agree to change the contract if such changes would substantially increase the Government's costs.

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part B: Cure Notices

Tasks	Related Standards
5. If the decision is to take no further action, provide written notice to the contractor and document a finding of facts.	B5. In the notice, state that: • The Government assents to the contractor's commitments to "cure" performance. • Assent is predicated on the contractor meeting the specified commitments. • Failure to fulfill the commitments made by the contractor to "cure" performance will restore the Government's right to terminate for cause.
6. If the decision is to modify the contract, implement the modification per Unit 58.	B6. In modifying the contract: • Establish the Government's position on consideration, a new delivery schedule, and other terms and conditions. • Negotiate sufficient consideration for relief from terms and conditions. • Execute a supplemental agreement. • Document a finding of facts. - Alternatives considered. - Consideration received and justification for the amount.
7. If the decision is to terminate the contractor for convenience or cause, implement the termination per Unit 83.	

REJECTING WORK



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REJECTING WORK

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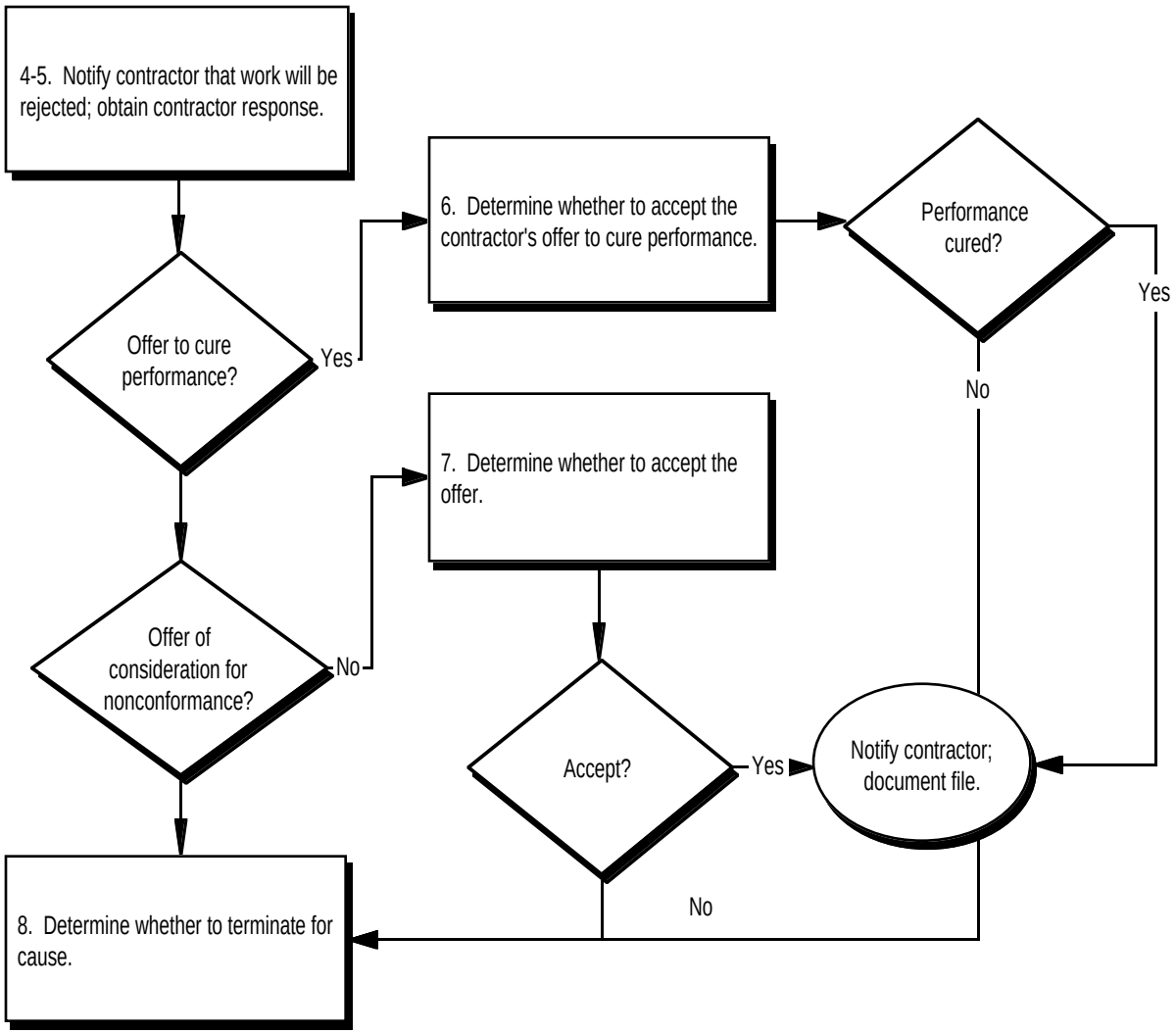


UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part C: Rejection of Work Under FAR 52.212-4(a) and 52.213-4(e)

Tasks	Related Standards
1. When the purchaser order includes the clause at FAR 52.213-1 (Fast Payment Procedures), instruct the contractor to replace, repair, or correct supplies promptly at the Contractor's expense.	C1. Correctly determine the date that title to the supplies was vested in the Government and issue any such instructions within 180 days from that date.
2. Determine sufficiency of evidence to reject the work. Address such issues as: • Has the Government accepted the deliverable (either explicitly or implicitly by silence, late rejection, or retention and use of goods)? • Did the Government inspect the deliverable prior to acceptance? If so, was the defect patent (i.e., discoverable through inspection) or latent? Was fraud (or gross mistake amounting to fraud) the reason a discoverable patent defect survived inspection prior to acceptance? • Was acceptance predicated on the reasonable assumption that the non-conformity would be cured (discovery at time of acceptance)? • Was acceptance reasonably induced by the seller's assurances (no discovery at the time of acceptance)? • Is the Government estopped by reason of accepting nonconforming work under a prior contract for the same requirement? (Note: If the Government is at fault, options may include modifying the contract or terminating for convenience.)	C2. Correctly determine whether or not the Government has already accepted the deliverable. If the Government has accepted the deliverable, only consider revoking acceptance under FAR 52.212-4(a) or 52.213-4(d) if the Government has reported or will report the defect to the contractor: • Within a reasonable time after the defect was discovered or should have been discovered; and • Before substantial change occurs in the condition of the item, unless the change is due to the defect in the item. Correctly apply case law in determining the sufficiency of the evidence and ensure that the Government is not at fault.
3. Determine whether to accept a "minor" nonconformance.	C3. Correctly determine whether the nonconformance adversely affects the safety, health, reliability, durability, performance, interchangeability of parts or assemblies, weight, or appearance (where a consideration), or any other basic objective of the specification). Accept minor nonconformances without consideration as provided in FAR 46.407(e) and (f).

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part C: Rejection of Work Under FAR 52.212-4(a) and 52.213-4(e)

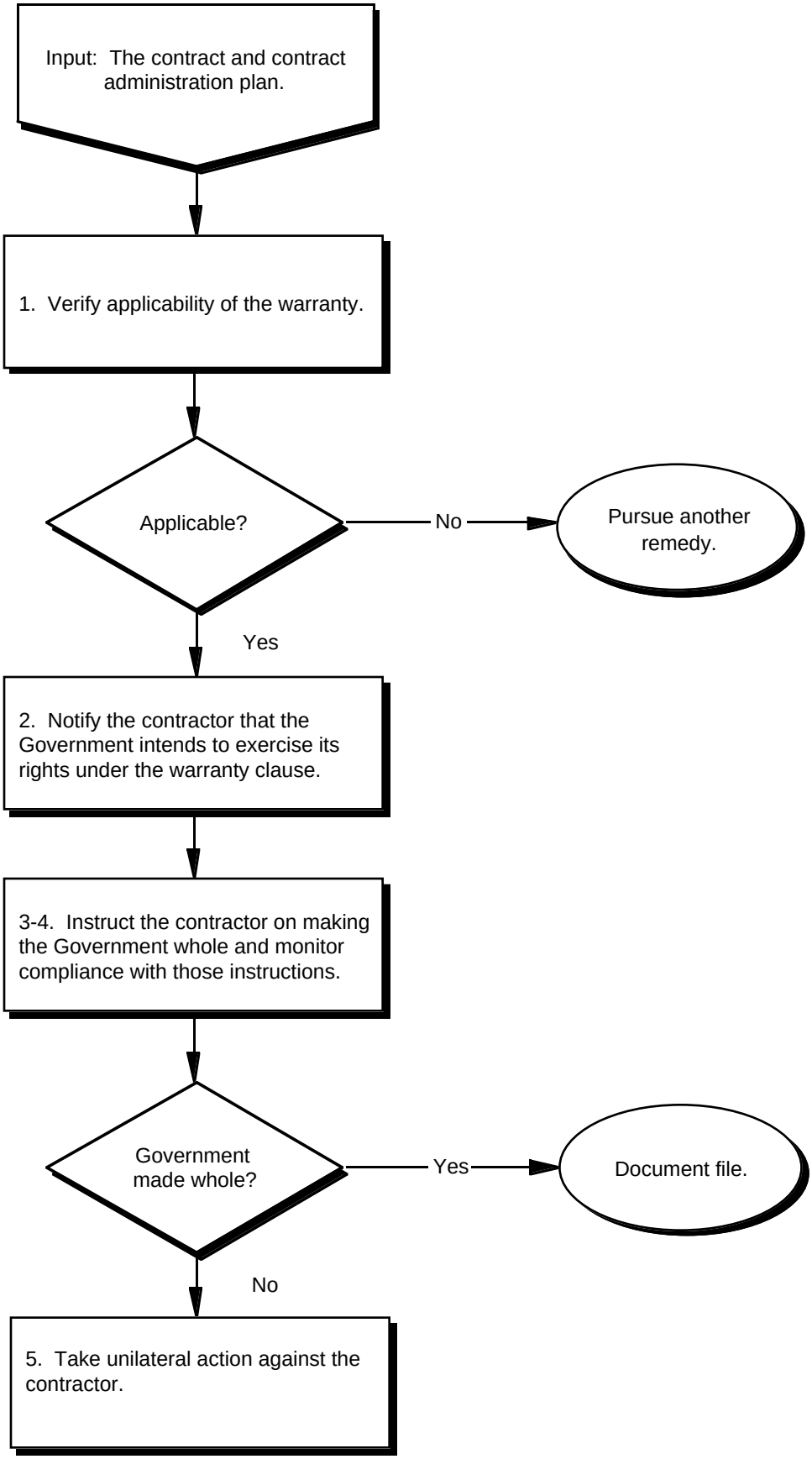
Tasks	Related Standards
4. Prepare notice to the contractor of the Government's intent to reject the work. • Identify reasons for rejection. • Require the contractor to repair or replace the supplies or reperform the service at no increase in the contract price. • Provide time (usually 10 days) to reply.	C4. Notice should meet the test of FAR 46.407(g). Accurately determine whether the Government's interest would be better served by "repair in place" or "removal of the supplies for repairs".
5. Obtain contractor's reply. Potential responses: • Offer to "cure performance" (i.e., correct the work) and/or provide a downward price adjustment. • Proposal that the Government accept the nonconforming supplies or services for consideration. • Refusal to correct work or offer consideration. • No reply.	
6. Determine whether to accept the contractor's offer to cure performance. Accept such an offer at no change in contract price if performance can reasonably be cured within the contract's delivery or performance schedule. If a cure is not possible within the delivery or performance schedule, determine whether to extend the delivery or performance schedule. If the decision is to extend the delivery or performance schedule, correctly determine: • Reasonableness of the proposed extension. • Whether to require consideration from the contractor and the amount of such consideration. If the contractor had reasonable grounds to believe that the deliverable was acceptable, do not require consideration for a reasonable extension of the delivery or performance schedule. Otherwise, obtain consideration.	C6. Accurately forecast whether a cure is probable within the delivery or performance schedule. Accurately identify and consider risks to the Government of extending the delivery or performance schedule. Develop a reasonable position on the length of any contract extension and consideration (if any) for extending the schedule.

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part C: Rejection of Work Under FAR 52.212-4(a) and 52.213-4(e)

Tasks	Related Standards
7. Determine whether to accept nonconforming supplies or services given a contractor offer of consideration. Base the decision on: • Advice of the technical activity that the deliverable is safe to use and will perform its intended purpose. • Information regarding the nature and extent of the nonconformance. • A request from the contractor for acceptance of the supplies or services (if feasible) • A recommendation for acceptance or rejection, with supporting rationale, and. • The contract adjustment considered appropriate, including any adjustment offered by the contractor.	C7. Only accept nonconforming supplies when in the Government's interest. Before acceptance, obtain the concurrence of the requiring activity and, where health factors are involved, of the responsible health official of the agency. You may accept nonconforming supplies or services without consideration if the contractor is obliged by the terms of a written warranty to make any necessary repairs or corrections after acceptance at no cost to the Government.
8. Determine whether to initiate termination for cause. Initiate termination for cause if: • The contractor refuses or is not likely to cure performance, and • Offered consideration (if any) is not acceptable.	C8. See Unit 83. If the contractor makes a persuasive case that there has been acceptance, or that the work is acceptable under the contract's terms and conditions, do not terminate for cause.

Warranty Clause

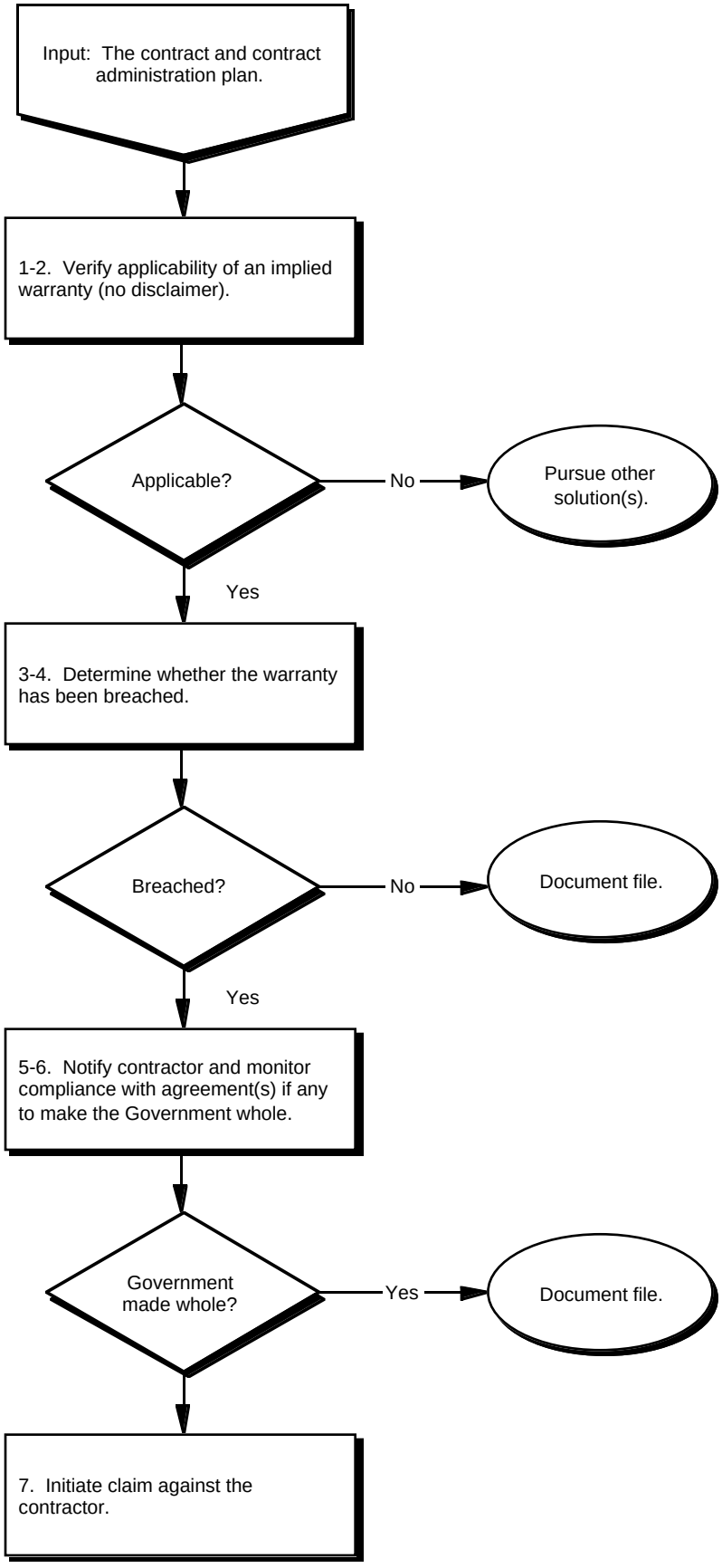


UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part D: Warranty Clause

Tasks	Related Standards
1. Verify that the warranty clause applies. Base the verification upon the: • Terms and conditions of the clause (e.g., duration of the warranty). • Government's obligations under the clause (have they been met?). • Factual basis for applying the warranty (do the facts support the Government's case for invoking the warranty?).	
2. Notify the contractor that the Government intends to exercise its rights under the warranty. • Prepare and send written notification of breach. • Obtain the contractor's position and supporting data. • Reach agreement on whether and how the Government is to be made whole. • Document results of contact.	D2. Provide written notice within the time constraints of the warranty clause. Accurately interpret the clause.
3. Formally instruct the contractor on how the Government is to be made whole. Alternatives: • Direction to repair, replace, or reperform (with further direction on whether the Government or contractor personnel will be responsible for identifying additional nonconforming deliverables for rework). • Retain supplies and unilaterally reduce the price.	D3. Provide written notice to the contractor with a reasonable period. Select the best alternative for making the Government whole available under the warranty clause, given the circumstances.
4. Monitor contractor compliance with instructions for making the Government whole.	D4. Ensure that the Government receives the full measure of relief provided by the warranty terms and conditions.
5. Take unilateral action against the contractor. • If allowed by the warranty clause, reprocure and charge back against the contractor (e.g., by offset). • Otherwise, file a claim per Unit 82.	D5. If the contract has already closed out, file a claim as prescribed in Unit 82.

Implied Warranties



UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part E: Implied Warranties

Tasks	Related Standards
1. Verify that the deliverable is covered by an implied warranty. • Warranty of Merchantability. • Warranty of fitness for a particular purpose. • Other.	E1. Consider invoking the warranty of merchantability or fitness for a particular purpose only: • If the contract includes FAR clause 52.212-4 or 52.213-4 (or a purchase order for other than commercial items does NOT include inspection terms that make acceptance final and conclusive absent latent defects, fraud, or gross mistake amounting to fraud), and • The Government has not waived the warranty with respect to the defect at issue per UCC §2A-214. Correctly identify other implied warranties (if any) incorporated by addendum to the contract.
2. Determine whether the contract disclaims the Government's rights under FAR 52.212-4(o).	E2. If the contractor has accepted a purchase order (i.e., offer from the Government), correctly determine the legal effect (if any) of a disclaimer in a letter of acceptance (if any). If the Government has accepted a contractor's offer, correctly ascertain whether the resulting contract excludes or limits the Government's rights under 52.212-4(o).
3. If applicable, determine whether the warranty of merchantability has been breached.	E3. Correctly determine whether the item is or is not merchantable under UCC tests at §2A-212.
4. If applicable, determine whether the contractor has breached the warranty of fitness for a particular purpose.	E4. Correctly determine whether: • The seller knew the particular purpose for which the Government intends to use the item; and • The Government relied upon the contractor's skill and judgment that the item would be appropriate for that particular purpose.

UNIT 64 COMMERCIAL/SIMPLIFIED ACQUISITION REMEDIES

Part E: Implied Warranties

Tasks	Related Standards
5. Notify the contractor. • Send a letter of notification. • Obtain the contractor's position and supporting data. • Reach agreement with the contractor on whether and how the contractor will make the Government whole. • Document results of contact.	E5. Act within a reasonable time after discovery of the breach (and within any deadlines established by the warranty clause). Negotiate acceptable relief (e.g., repair, replacement, or reperformance at no cost to the Government; refund of part or all of the purchase price).
6. Monitor contractor compliance with agreements (if any) to make the Government whole.	E6. Ensure that the Government is made whole (using the techniques of Unit 61)
7. Initiate a claim against the contractor.	E7. If the contract has already closed out, file a claim as prescribed in Unit 82. If the contract is still active, prepare a cure or termination (per Unit 83) notice.

UNIT 64 — APPENDIX I

SELECTING A COMMERCIAL/SIMPLIFIED ACQUISITION CONTRACT REMEDY

PROBLEM	OPTIONS	COMMENT
LATE DELIVERY Note: When the contracting officer has determined that the deliverable has been or will be delivered late and that the delay is non-excusable.	1. Reschedule the delivery date in exchange for consideration.	Appropriate when (1) there is a reasonably probability of delivery by the new date and (2) the requiring activity can live with the new date.
	2. Reduce or suspend commercial finance payments under FAR clauses 52.232-29(a) or 232-30(a)	Appropriate when (1) commercial finance payments are being made and (2) performance of the contract is endangered by the contractor's failure to make progress.
	3. Accept late delivery and impose liquidated damages. (Note: liquidated damages can be incorporated by addendum to FAR 52.212-4 if a customary commercial practice for the market. See Unit 65 for more details on liquidated damages).	Appropriate when (1) the contract provides for liquidated damages and (2) there is a reasonably probability of delivery by a date that the requiring activity can tolerate.
	4. Send a cure notice (10 days or more prior to the contract's delivery date) or a termination notice (immediately upon expiration of the delivery period).	When there is little probability of delivery by a date that the requiring activity can tolerate and/or the contractor has not offered adequate consideration.
THE DELIVERABLE HAS NOT BEEN ACCEPTED AND DOES NOT CONFORM TO THE CONTRACT'S REQUIREMENTS Note: When the contracting officer has determined that the deliverable has not been implicitly or explicitly accepted and does not conform to contract requirements.	1. Accept the deliverable without consideration.	When the nonconformance is minor and obtaining consideration is not in the Government's interests (per FAR 46.407(f)).
	2. Accept the deliverable in exchange for consideration.	When the requiring activity can tolerate non-conformance (per FAR 46.407(c)).
	3. Accept the deliverable and invoke a warranty to have the deliverable brought up to specification after acceptance.	When the defect is covered by a warranty clause or an implied warranty (see FAR 52.212-4(o)) and immediate acceptance will benefit the requiring activity.
	4. Reject the deliverable and obtain correction or replacement at no cost to the Government. Tell the payment office to withhold payment until an acceptable deliverable has been furnished.	When there is a reasonable expectation that a satisfactory replacement will be provided by the delivery date in the contract, or, for consideration, within a reasonable time thereafter (see option 1 under LATE DELIVERY).
	5. Reject the deliverable and send a cure or termination notice.	When there is little expectation of receiving an acceptable product within a reasonable time.

UNIT 64 — APPENDIX I

SELECTING A COMMERCIAL/SIMPLIFIED ACQUISITION CONTRACT REMEDY

PROBLEM	OPTIONS	COMMENT
THE DELIVERABLE HAS BEEN ACCEPTED BUT DOES NOT CONFORM TO THE CONTRACT'S REQUIREMENTS	1. Reject work after acceptance as provided in FAR 52.212-4(a).	If the Government reports the defect to the contractor: • Within a reasonable time after the defect was discovered or should have been discovered; and • Before substantial change occurs in the condition of the item, unless the change is due to the defect in the item.
	2. Invoke an express warranty.	If a warranty clause has been incorporated by an addendum to 52.212-4.
	3. Invoke an implied warranty.	If an implied warranty applies (see FAR 52.212-4(o)).
OTHER BREACHES Note: When the contracting officer has exhausted all efforts at informal resolution of the problem.	1. Invoke whatever remedy (if any) is established in FAR clauses (if any) incorporated by addenda or checked in 52.212-5.	Examples: • Liquidated damages per FAR 52.219-16 for failing to comply with the subcontracting plan. • Cancellation, suspension, or termination of the contract under FAR 52.222-26, "Equal Opportunity" (incorporated by reference if checked in FAR 52.212-5). • Withholding of payments and termination under FAR 52.222-41, "Service Contract Act of 1965, As Amended" (incorporated by reference if checked in FAR 52.212-5).
	2. Suspend or reduce payments under FAR 52.232-29 or 30.	When the supplies deliverable or services due under the contract will NOT be delivered or performed in accordance with the contract
	3. Send a cure notice (10 days or more prior to the contract's delivery date).	When the breach is of sufficient magnitude to warrant termination for cause.

UNIT 64 — APPENDIX I

SELECTING A COMMERCIAL/SIMPLIFIED ACQUISITION CONTRACT REMEDY

UNIT 65 REMEDIES (NONCOMMERCIAL)

September 1998

Duties	Part A. Select a formal contract remedy for a performance problem. Part B. Prepare a Cure or Show Cause notice. Part C. Prepare a liquidated damages notice. Part D. Reject nonconforming work. Part E. Obtain redress under a warranty clause. Part F. Determine the applicable remedy if acceptance was due to fraud, gross mistake, or a latent defect.
Conditions	Given contracts for noncommercial items, the contract file (including price negotiation memoranda and the contractor's proposal), evidence of performance problems, and documentation of informal attempts to resolve the problems. Note: For the purpose of training this Unit, use purchase orders under SAT (which incorporate only clauses required for such orders) and contracts over SAT.
Overall Standard(s)	Select the remedy that will best minimize the impact of the contractor's performance problems on the requirements, delivery schedule, and cost. Obtain reasonable consideration for any relief granted the contractor from the contract's original terms and conditions. Document all decisions and contacts with the contractor sufficient to support the Government's position in the disputes or court proceedings. Correctly follow all prescribed procedures for the remedy.

UNIT 65 REMEDIES (NONCOMMERCIAL)

Policies

FAR	*Agency Suppl.*	*Subject*
11.5		Liquidated damages.
11.7		Variations in quantity—resolution of.
22.302		Liquidated damages for under-payment of overtime.
22.809		Failure to comply with 52.222-26—Equal Opportunity
22.1022 and 1023		Failure to comply with the Service Contract Act.
22.1307		Failure to comply with 52.222-35—Affirmative Action for Special Disabled and Vietnam Era Veterans
22.1407		Failure to comply with 52.222-36—Affirmative Action for Handicapped Workers
23.506		Failure to comply with requirements to maintain a drug-free workplace.
46.407		Nonconforming supplies or services.
46.701, 46.702, and 46.706		Warranties.
49.402-3(b) through 3(d); 49.402-3(e)(4); 49.657		Delinquency notices.
52.211-11		Liquidated damages — Supplies, Services or R&D.
52.211-16		Variation in Quantity
52.211-17		Delivery of Excess Quantities
52.222-4		Contract work hours and safety standards act—overtime compensation.
52.222-26		Equal Opportunity.
52.222-35		Affirmative action for special disabled and Vietnam era veterans.
52.222-36		Affirmative action for handicapped workers.
52.222-41		Service contract act.
52.233-6		Drug free workplace requirements.
52.246-2 thru 246-8		Inspection and acceptance clauses.
52.246-15		Certificate of conformance.
52.246-17 through 20		Warranty clauses.
52.246-23 through 25		Limitation of liability.
52.249-8 and 249-9		Default clauses.

UNIT 65 REMEDIES (NONCOMMERCIAL)

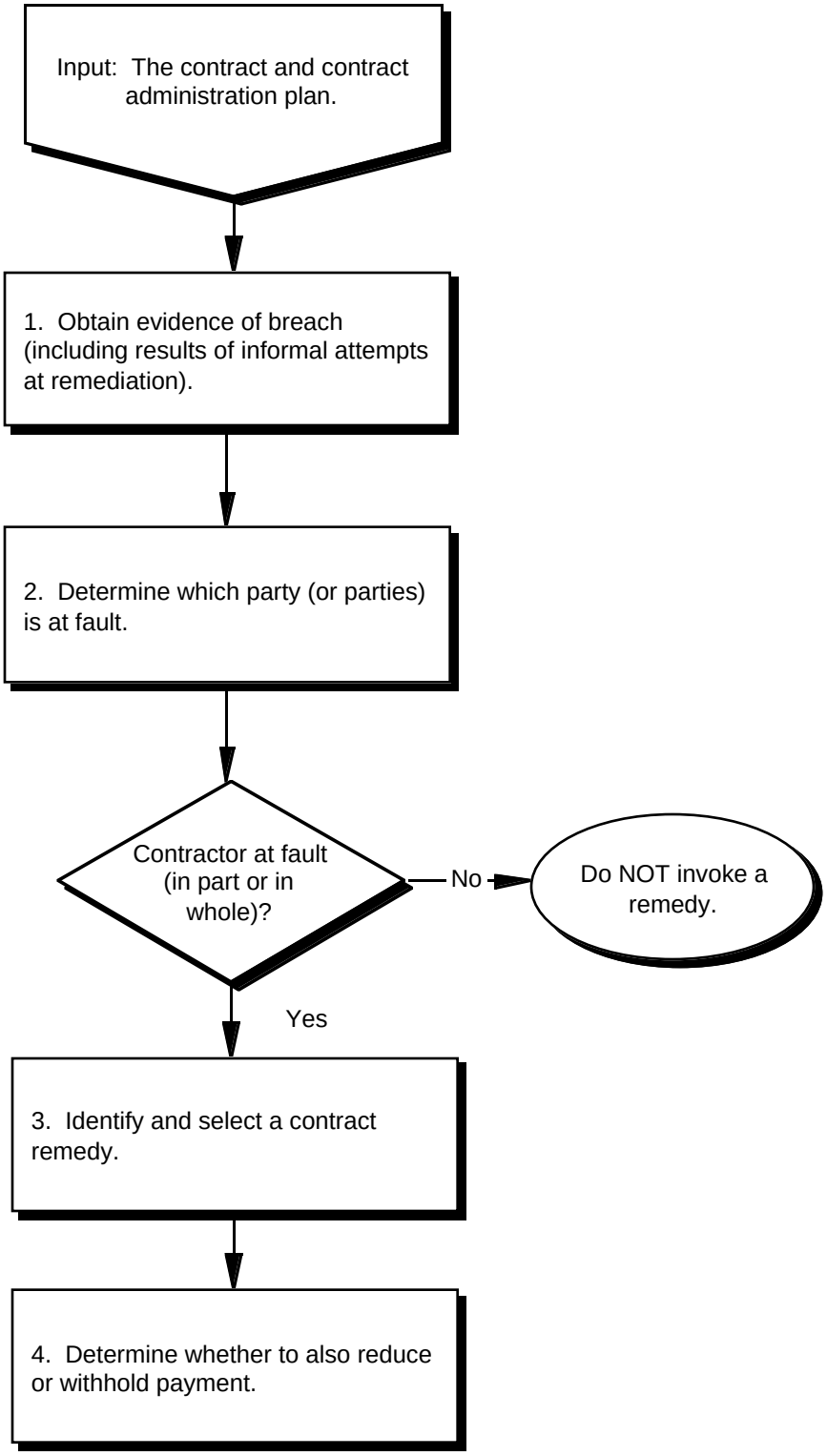
Other KSA's

1. Knowledge of:
   - The most likely procedural errors and skill at avoiding them.
   - "Implied warranties" and the consideration owed the Government for breach of same.
   - The purpose of liquidated damages clauses (as motivation, not as penalty).
   - The possibility that the Government may lose some or all of remaining rights if it manifests acceptance of nonconforming acts. (It is now unreasonable to enforce these rights due to contractor reliance upon acceptance.)
   - The possibility that continuing acceptance of "partial performance" will constructively modify the duty for substantial performance.
   - Tests for invoking remedies.
   - Examples of actual implied warranties and language that courts have ruled to be "puffing of the wares"

2. Commercial Law

Other Policies and References (Annotate As Necessary):

Selection of Remedies



UNIT 65 REMEDIES (NONCOMMERCIAL)

Part A. Selection of Remedies

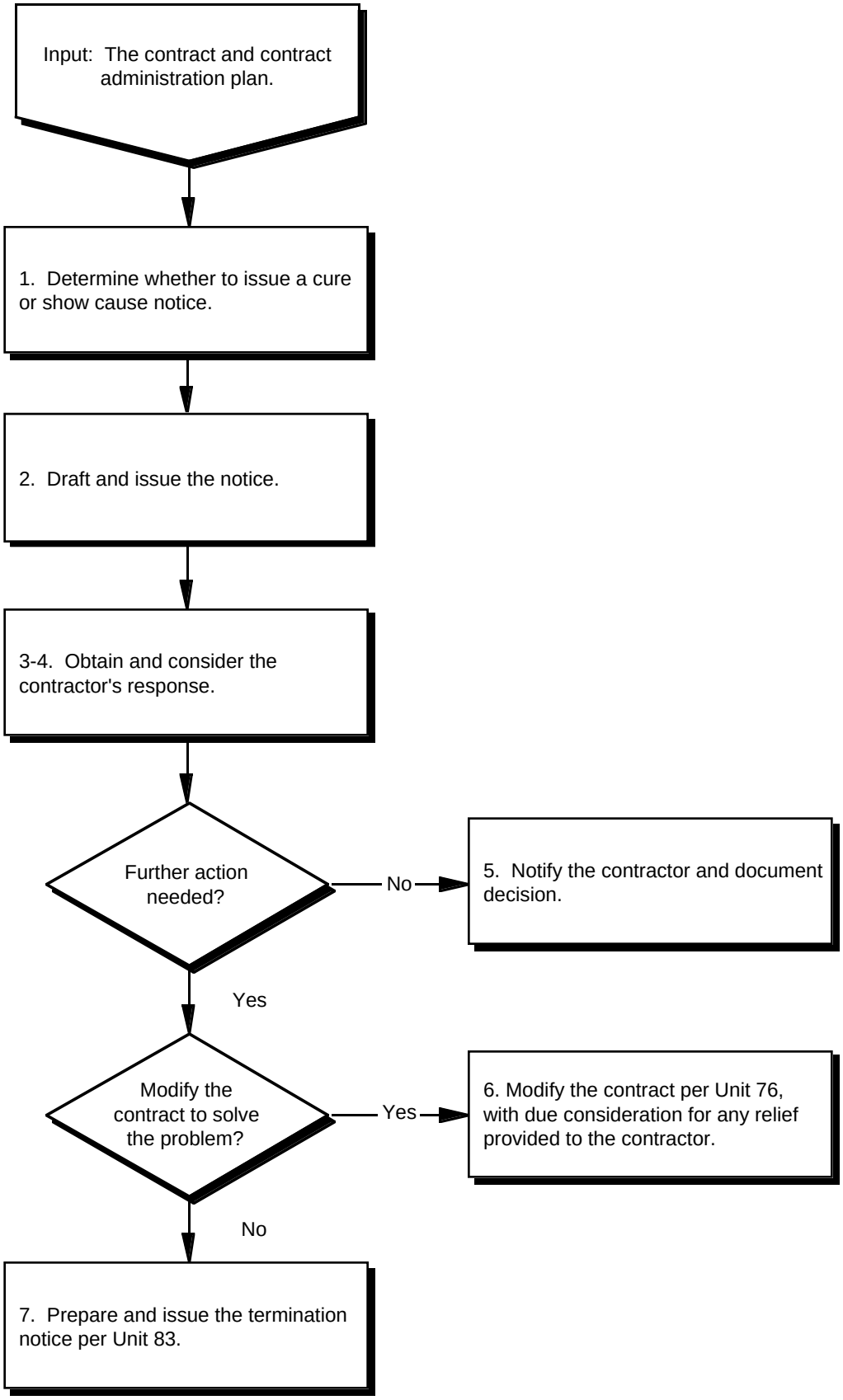
Tasks	Related Standards
1. Obtain evidence of any reported failure to perform or other breach (from Unit 61) • Anticipated or actual late delivery. • Failure to control costs. • Unsatisfactory performance.	A1. Collect all related facts, including the contractor's reactions to Government complaints.
2. Determine whether either of the parties (or both) is in noncompliance with contract requirements. Consider both: • Contract language. • Extrinsic evidence (e.g., contractor representations regarding the quality, condition, description, or performance potential of the deliverable).	A2. Correctly apply standards and rules for interpreting contractual language. If at issue, correctly determine whether contractor representations regarding the quality, condition, description, or performance potential of the deliverable were part of the "basis of the bargain", given the: • Price negotiation memorandum (what was said and contemplated during the negotiation). • The contractor's proposal, and • The contract itself. Correctly distinguish between express warranties and "mere puffing of the wares." Accurately verify that the Government has carried out its promises, duties, and responsibilities. For example: • Furnishing of suitable Government property at the specified time and place. • Implied duty to cooperate and not hinder performance. • Implied duty to disclose information vital for preparation of estimates or contract performance. • Implied duty to provide contractors with factually correct information (e.g., on applicable laws). • Implied warranty of specifications. Analyze potential contractor defenses: • Impracticability of performance. • Mutual mistakes. • Unconsionability. Identify and consider all potential Government defenses (e.g., disclaimers and exculpatory clauses; sovereign acts doctrine).

UNIT 65 REMEDIES (NONCOMMERCIAL)

Part A. Selection of Remedies

Tasks	Related Standards
3. Identify and select one or more contractual remedies. • Cure or show cause notice. • Liquidated damages. • Rejection of nonconforming supplies or services before acceptance. • Remedies under a Warranty clause. • Remedies under implied warranties (e.g., the warranty of merchantability, or the warranty of fitness for a particular purpose.) • Remedies for fraud, gross mistake, or latent defects. • Any other remedies provided in the specific clause that was breached. • None (e.g., acceptance of minor nonconformance under FAR 46.407(f)).	A3. Remedy(ies) best match the problem. Only select a cure or show cause notice when there is a reasonable case for default termination (see Unit 83). Consider an implied warranty ONLY IF: • The contract does NOT establish finality of acceptance (e.g., because the contracting officer issued a Purchase Order absent inspection and termination for default clauses -- none being required for purchase orders under SAT), AND • The contract does NOT incorporate a warranty clause or a legally binding disclaimer of implied warranties. (For more on implied warranties, see Unit 64).
4. Determine whether to reduce or withhold payment (per Unit 67).	A4. Withhold or reduce payment: • As provided in the contract for the remedy being invoked, or • To reflect any downward adjustment in the priced agreed to by the contractor.

CURE AND SHOW CAUSE NOTICES



UNIT 65 REMEDIES (NONCOMMERCIAL)

Part B: Cure and Show Cause Notices

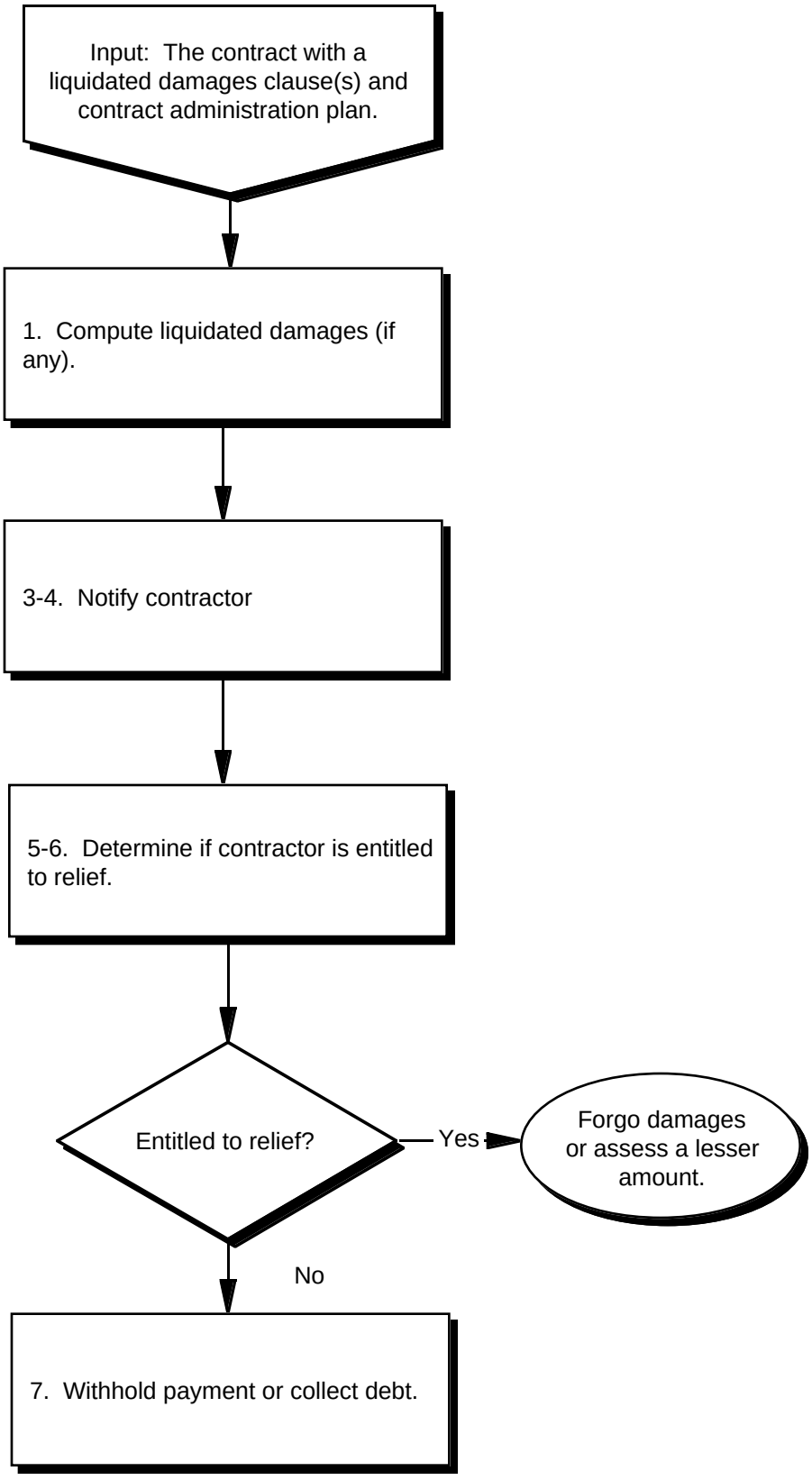
Tasks	Related Standards
1. Determine whether to issue a cure or a show cause notice.	B1. Select the cure notice only if time remaining in the contract delivery schedule is sufficient to permit a realistic "cure" period of 10 days or more. Otherwise, prepare a show cause notice.
2. Draft and issue the cure or show cause notice.	B2. Prepare and issue the notice as provided in FAR 49.402-3 and 49.657. Must "make contractor aware of defects" (cure stops other remedies for 10 days).
3. Obtain contractor's response and determine the validity of any supporting data offered by the contractor (see Unit 61). Examples of possible contractor responses: • Offer to "cure" performance. • Offer to provide substantial performance in exchange for relief from some provisions of the contract. • Case for excusable delay. • Agree with the notice's facts and offer no solution. • No response.	
4. Determine the next step. Alternatives: • Take no further action, • Modify the contract, or • Begin proceedings to terminate for cause (see Unit 83).	B4. Take no further action only if the contractor provides sufficient evidence that performance will be "cured" within the delivery or performance schedule. Modify the contract only if the contractor provides sufficient evidence that the requirement will thereby be substantially met within a period of time acceptable to the requiring activity and with appropriate consideration for any relief from the contract's requirements. Do not agree to change the contract if such changes would substantially increase the Government's costs.

UNIT 65 REMEDIES (NONCOMMERCIAL)

Part B: Cure and Show Cause Notices

Tasks	Related Standards
5. If the decision is to take no further action, provide written notice to the contractor and document a finding of facts.	B5. In the notice, state that: • The Government assents to the contractor's commitments to "cure" performance. • Assent is predicated on the contractor meeting the specified commitments. • Failure to fulfill the commitments made by the contractor to "cure" performance will restore the Government's right to terminate for cause.
6. If the decision is to modify the contract, implement the modification per Unit 58.	B6. In modifying the contract: • Establish the Government's position on consideration, a new delivery schedule, and other terms and conditions. • Negotiate sufficient consideration for relief from terms and conditions. • Execute a supplemental agreement. • Document a finding of facts. - Alternatives considered. - Consideration received and justification for the amount.
7. If the decision is to terminate the contractor for convenience or default, implement the termination per Unit 83.	

Liquidated Damages

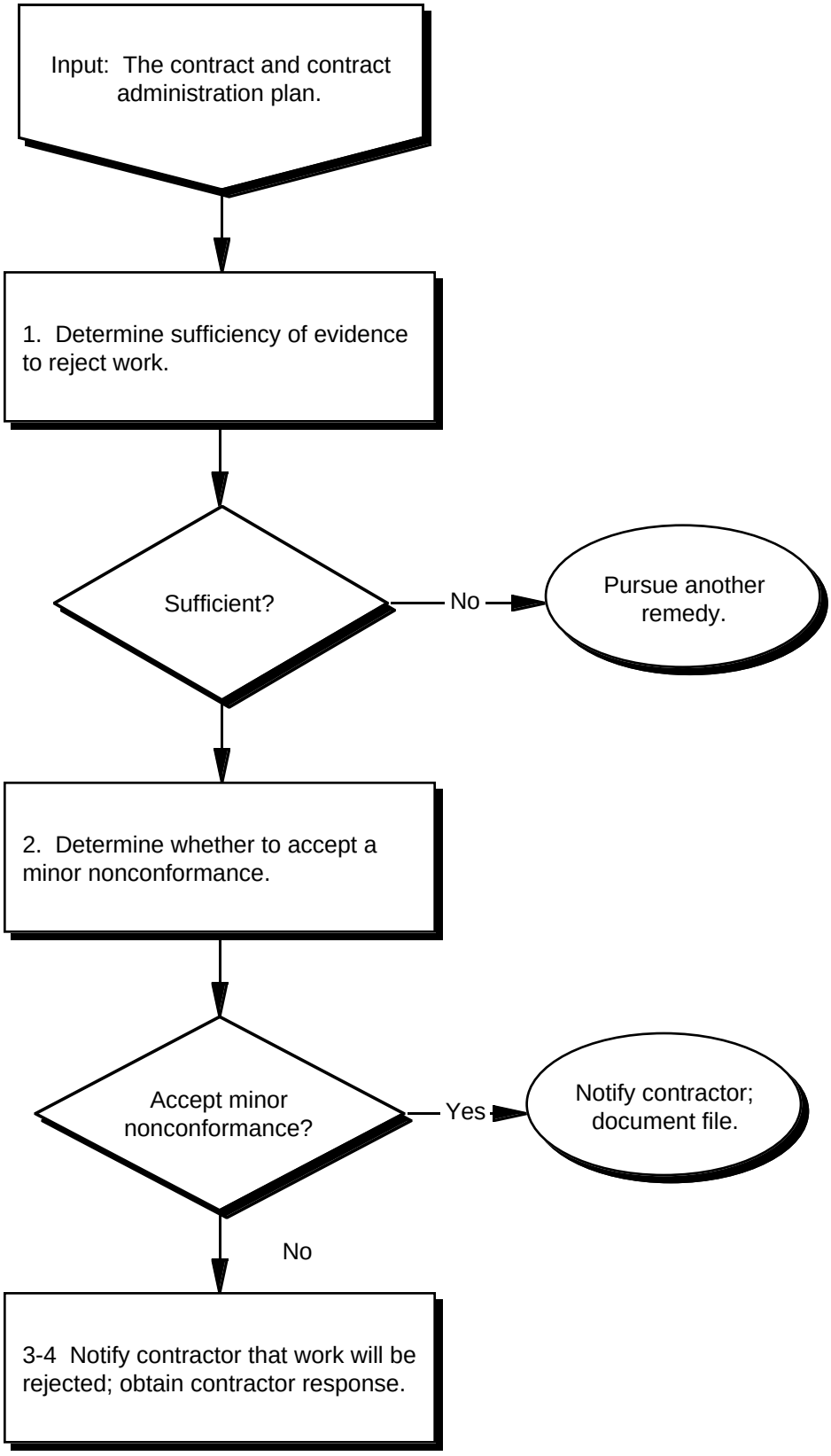


UNIT 65 REMEDIES (NONCOMMERCIAL)

Part C: Liquidated Damages

Tasks	Related Standards
1. Document all evidence pertinent to the clause (per Unit 61).	C1. Correctly identify performance problems covered by a clause that provides for liquidated damages (e.g., 52.211-11; 52.222-4).
2. Compute the dollar amount of liquidated damages.	C2. Accurately calculate the damages per the formula in the applicable clause.
3. Present the case for liquidated damages to the contractor. • Cause. • Amount.	
4. Prepare and issue liquidated damages notice. • Cause. • Amount. • What the contractor must do to avoid further invocation of the clause.	C4. Notice should be complete.
5. Provide the contractor with an opportunity to state the merits of any relief. For example, the contractor might: • Contend that delay is excusable (per Unit 62). • Contend impossibility of performance. • Provide evidence of substantial completion.	C5. The merit of relief is dependent upon a showing of the contractor's ability to "have prevented" the situation. If, under the clause at 52.211-11, strong and persuasive equities favor the contractor, the contracting officer can reduce and/or order remission of liquidated damages (41 USC 256a). Likewise, the Board of Appeals or courts can order such relief if they find in the contractor's favor during the disputes process. Otherwise, only the Comptroller General can provide relief (FAR 11.502(d)). If under the clause at 52.222-4, the head of the agency or a designee may grant relief as provided in FAR 22.302(c).
6. Determine if the contractor is entitled to relief, in part or in whole. If the contractor is entitled to relief, determine whether to: • Forgo assessing liquidated damages, or • Assess a reduced amount.	C6. Document the basis for reducing the amount of liquidated damages and, given the basis, accurately calculate the amount of the reduction.
7. If liquidated damages are assessed in part or in whole, withhold payment and/or collect debt (per Units 67 and 75).	

Rejecting Nonconforming Deliverables



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Rejecting Nonconforming Deliverables

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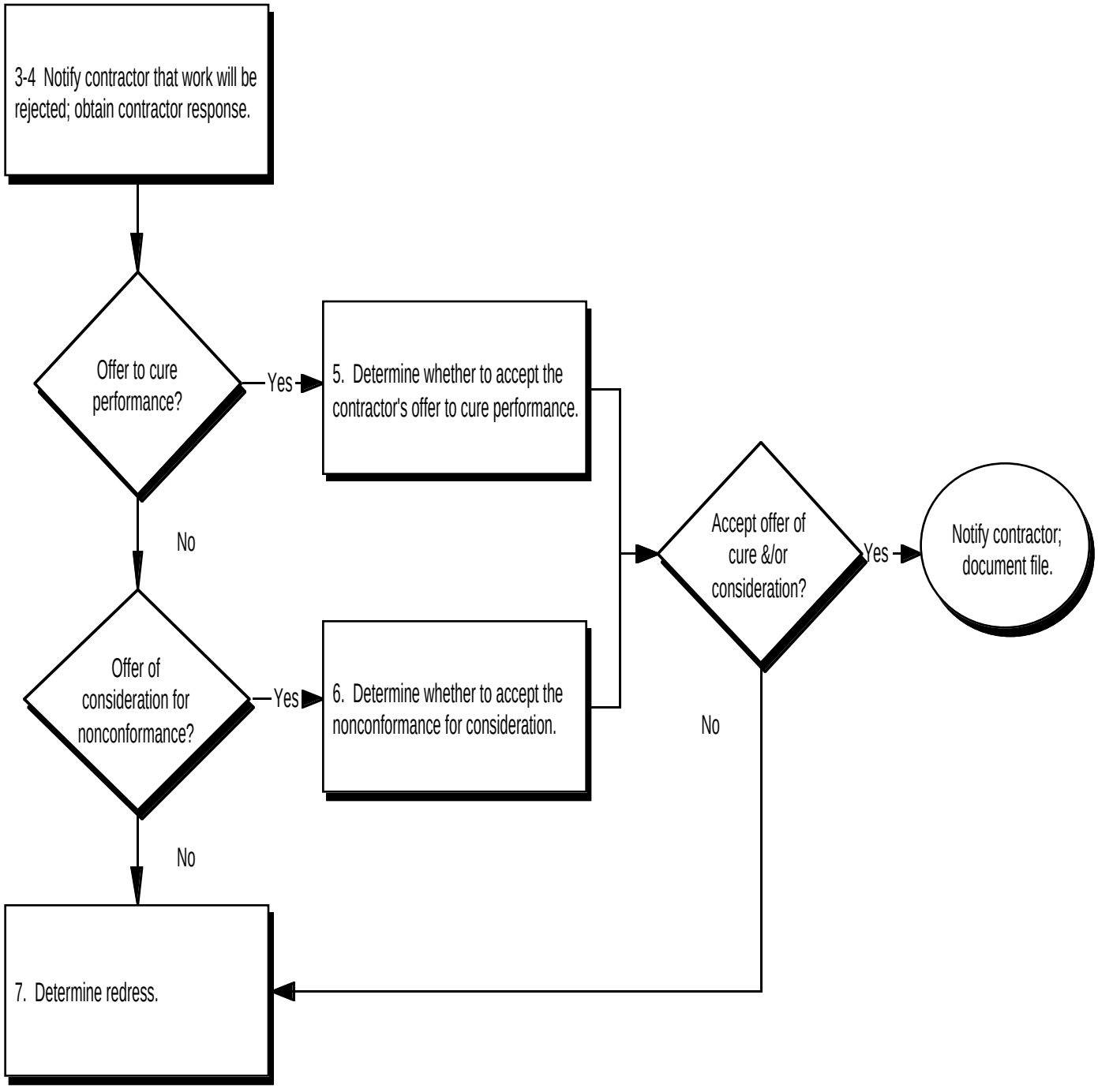


UNIT 65 REMEDIES (NONCOMMERCIAL)

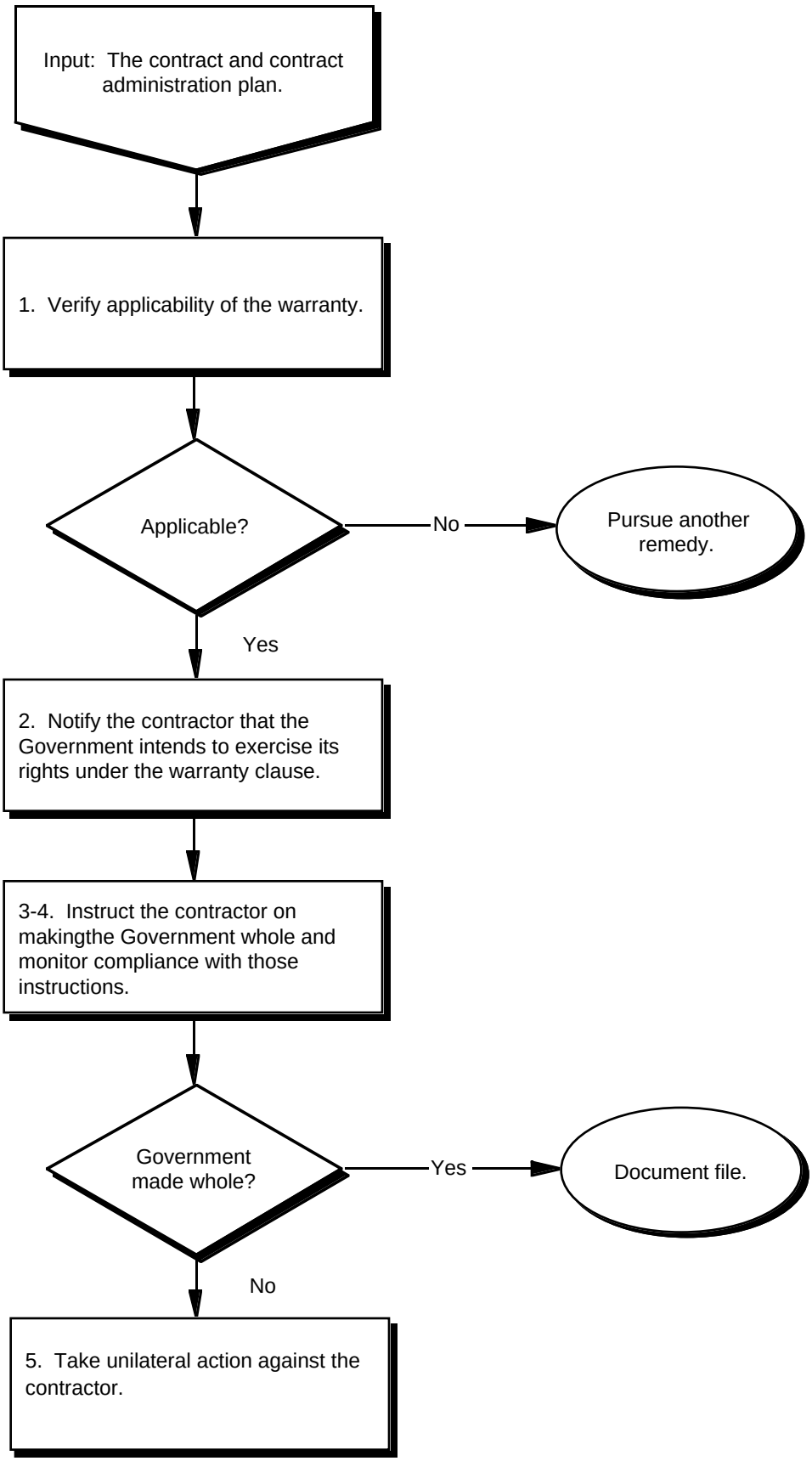
Part D: Rejecting Nonconforming Deliverables

Tasks	Related Standards
1. Determine sufficiency of evidence to reject the work. Address such issues as: • Has there been explicit acceptance (but see step 7 below). • Has there been implied acceptance by silence, late rejection, or retention and use of goods? • Is the Government estopped by reason of accepting nonconforming work under a prior contract for the same requirement? (Note: If the Government is at fault, options may include modifying the contract or terminating for convenience.)	D1. Correctly determine whether or not there has already been acceptance (express or implied) and whether the Government still has the right to reject. Correctly apply tests to determine sufficiency of the evidence and ensure that the Government is not at fault.
2. Determine whether to accept a "minor" nonconformance.	D2. If the contractor has shipped an excess quantity, resolve as provided in FAR Subpart 11.7 and related clauses. Correctly determine whether the nonconformance adversely affects the safety, health, reliability, durability, performance, interchangeability of parts or assemblies, weight, or appearance (where a consideration), or any other basic objective of the specification). Accept minor nonconformances without consideration as provided in FAR 46.407(e) and (f).
3. Prepare notice to contractor that work will be rejected. • Identify reasons for rejection. • Afford the contractor an opportunity to correct or replace the work or reperform the services within the required delivery schedule at no additional cost (unless the contract specifies otherwise) to the Government. • Provide time (usually 10 days) to reply.	D3. Notice should meet the test of FAR 46.407(g). Accurately determine whether the Government's interest would be better served by "repair in place" or "removal of the supplies for repairs". Provide reasonable time to correct deficiencies. If the correction or replacement or reperformance is accomplished within the required delivery schedule, do not require consideration from the contractor other than charges for the cost of reinspection and retesting per 52.246-2(e)(2). Note: If you do not give reasons for rejection and there is time to correct the defects within the contract delivery schedule, rejection and a subsequent default termination are improper.

Tasks	Related Standards
4. Obtain contractor's reply. Potential responses: • Offer to "cure performance" (i.e., correct the work) and/or provide a downward price adjustment. • Proposal that the Government accept the nonconforming supplies or services for consideration. • Refusal to correct work or offer consideration. • No reply.	
5. Determine whether to accept the contractor's offer to cure performance. Accept such an offer at no change in contract price if performance can reasonably be cured within the contract's delivery or performance schedule. If a cure is not possible within the delivery or performance schedule, determine whether to extend the delivery or performance schedule. If the decision is to extend the delivery or performance schedule, correctly determine: • Reasonableness of the proposed extension. • Whether to require consideration from the contractor and the amount of such consideration. If the contractor had reasonable grounds to believe that the deliverable was acceptable, do not require consideration for a reasonable extension of the delivery or performance schedule. Otherwise, obtain consideration.	D5. Accurately forecast whether a cure is probable within the delivery or performance schedule. Accurately identify and consider risks to the Government of extending the delivery or performance schedule. Develop a reasonable position on the length of any contract extension and consideration (if any) for extending the schedule.
6. Determine whether to accept nonconforming supplies or services given a contractor offer of consideration. Base the decision on: • Advice of the technical activity that the deliverable is safe to use and will perform its intended purpose. • Information regarding the nature and extent of the non-conformance. • A request from the contractor for acceptance of the supplies or services (if feasible) • A recommendation for acceptance or rejection, with supporting rationale, and. • The contract adjustment considered appropriate, including any adjustment offered by the contractor.	D6. Only accept nonconforming supplies when in the Government's interest. Before acceptance, obtain the concurrence of the requiring activity and, where health factors are involved, of the responsible health official of the agency. May accept non-conforming supplies or services without consideration if the contractor is obliged by the terms of a written warranty to make any necessary repairs or corrections at no cost to the Government.

Tasks	Related Standards
7. If the contractor refuses to correct the work and offered consideration (if any) is not acceptable, determine the remedy. Options: • Issue rejection and show cause letter, and/or • Arrange for correction of the defects at the contractor's expense.	D7. Only correct work at the contractor's expense if the contractor has first been given a chance to correct the work and failed to do so in a reasonable time. This is a condition precedent to his duty to pay for the Government's correction costs. If the contractor makes a persuasive case that there has been acceptance, or that the work is acceptable under the contract's terms and conditions, do not apply these remedies.

Written Warranty

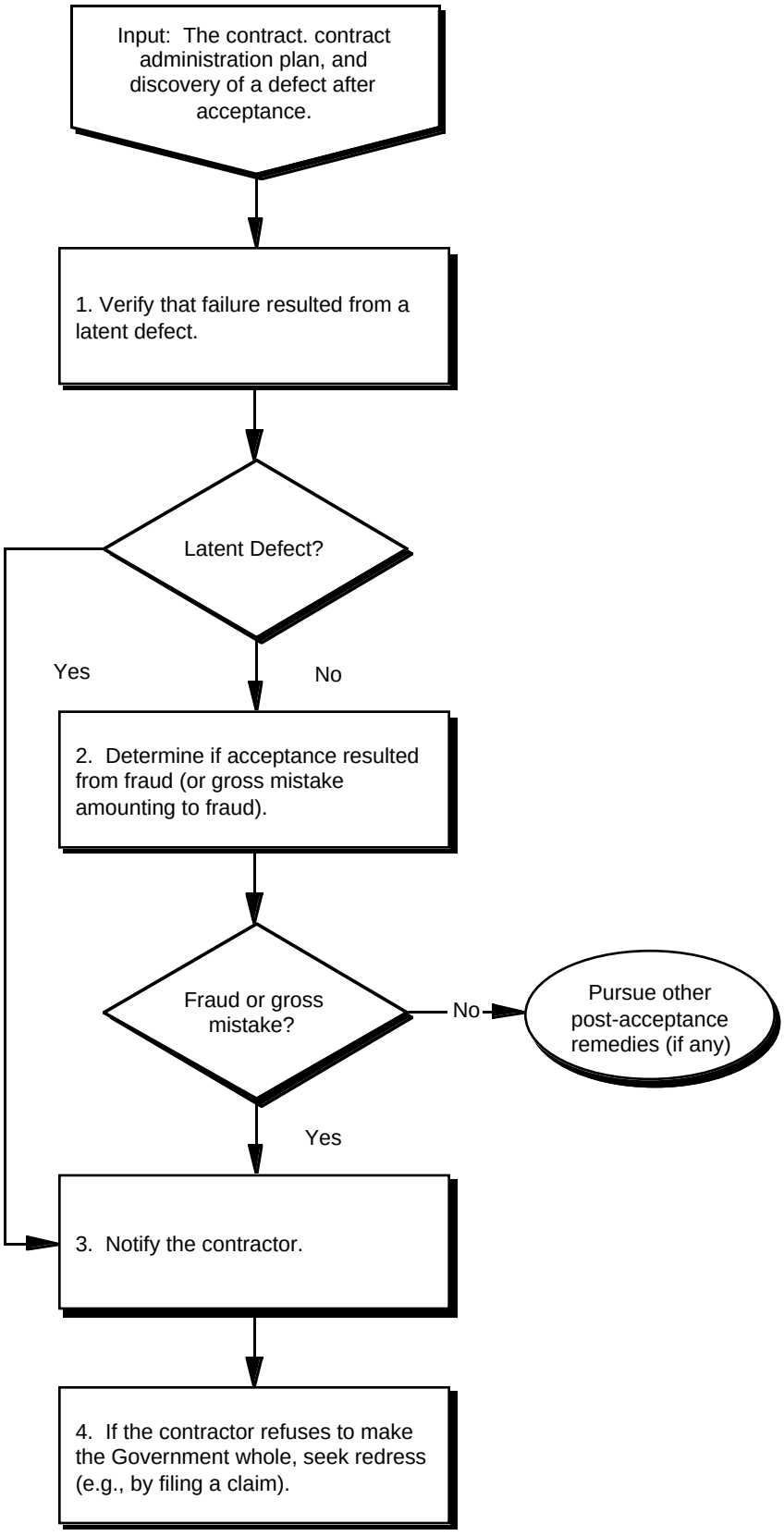


UNIT 65 REMEDIES (NONCOMMERCIAL)

Part E: Written Warranty

Tasks	Related Standards
1. Verify that the warranty clause applies. Base the verification upon the: • Terms and conditions of the clause (e.g., duration of the warranty). • Government's obligations under the clause (have they been met?). • Factual basis for applying the warranty (do the facts support the Government's case for invoking the warranty?).	
2. Notify the contractor that the Government intends to exercise its rights under the warranty. • Prepare and send written notification of breach. • Obtain the contractor's position and supporting data. • Reach agreement on whether and how the Government is to be made whole. • Document results of contact.	E2. Provide written notice within the time constraints of the warranty clause. Accurately interpret the clause.
3. Formally instruct the contractor on how the Government is to be made whole. Alternatives: • Direction to repair, replace, or reperform (with further direction on whether the Government or contractor personnel will be responsible for identifying additional nonconforming deliverables for rework). • Retain supplies and unilaterally reduce the price.	E3. Provide written notice to the contractor with a reasonable period. Select the best alternative for making the Government whole available under the warranty clause, given the circumstances.
4. Monitor contractor compliance with instructions for making the Government whole.	E4. Ensure that the Government receives the full measure of relief provided by the warranty terms and conditions.
5. Take unilateral action against the contractor. • If allowed by the warranty clause, reprocure and charge back against the contractor (e.g., by offset). • Otherwise, file a claim per Unit 82.	E5. If the contract has already closed out, file a claim as prescribed in Unit 82.

Fraud, Gross Mistake, or Latent Defect



UNIT 65 REMEDIES (NONCOMMERCIAL)

Part F: Fraud, Gross Mistake, or Latent Defect

Tasks	Related Standards
1. Verify that the failure to perform has been caused by a latent defect. • Identify the contractor's liability for the defect. • Determine that the Government has fulfilled its obligations for inspection and acceptance. • Identify what tests could have revealed the defect at time of acceptance and whether such tests have been reasonable under the circumstances.	G1. The Government did not know or did not have reason to know of the defect's existence at time of acceptance. Tests rigorous enough to have revealed the defect would not have been cost-effective, and the contractor did not propose such testing in the initial negotiations of the contract.
2. Determine if the Government's acceptance had been induced by suspected fraud (or gross mistake amounting to fraud). • Prepare a finding of facts that proves that acceptance was induced by the Government's reliance on all of the following: - A misrepresentation of fact (actual or implied) or concealment of a material fact. - Made with knowledge of its falsity or in reckless or wanton disregard of the facts. - With intent to mislead Government into relying on the misrepresentation. - As a consequence of which the Government has suffered injury. • Report evidence of potential fraud.	G2. Base the Government's case on gross mistake amounting to fraud when intent to mislead cannot be established but all other factors apply.
3. Contact the contractor. • Obtain the contractor's position and supporting data. • Request a proposal to repair or replace the deliverable (or reperform the service) and/or adjust prices downward. • Prepare the Government's position. • Negotiate a new delivery schedule and/or consideration. • Document results of negotiations.	
4. If contractor refuses to make the Government whole, determine the remedy. Options: • Determine the downward price adjustment and collect from the contractor (e.g., by filing a claim), • Correct or replace nonconforming deliverables at the contractor's expense, or • Obtain reperformance of the service from another source and charge the contractor for the cost incurred by the Government thereby.	

DECISION TABLE FOR SELECTING A CONTRACT REMEDY

PROBLEM	OPTIONS	COMMENT
LATE DELIVERY Note: When the contracting officer has determined that the deliverable has been or will be delivered late and that the delay is non-excusable.	1. Reschedule delivery date in exchange for consideration.	Appropriate when (1) no liquidated damages clause was included in the original contract, (2) there is a reasonably probability of delivery by the new date, and (3) the requiring activity can live with the new date.
	2. Reduce or suspend progress, advance, or performance based payments (e.g., FAR 52.232-16(c)(2) or FAR 52.232-12(k)).	Appropriate when (1) the Government is financing the work and (2) performance of the contract is endangered by the contractor's failure to make progress.
	3. Accept late delivery and impose liquidated damages.	Appropriate when (1) the contract provides for liquidated damages and (2) there is a reasonable probability of delivery by a date that the requiring activity can tolerate.
	4. Send a cure notice (10 days or more prior to the contract's delivery date) or a show cause notice (immediately upon expiration of the delivery period).	When there is little probability of delivery by a date that the requiring activity can tolerate and/or the contractor has not offered adequate consideration.
THE DELIVERABLE HAS NOT BEEN ACCEPTED AND DOES NOT CONFORM TO THE CONTRACT'S REQUIREMENTS Note: When the contracting officer has determined that the deliverable has not been implicitly or explicitly accepted and does not conform to the contract's requirement.	1. Accept the deliverable without consideration.	When the nonconformance is minor and obtaining consideration is not in the Government's interests (per FAR 46.407(f)).
	2. Accept the deliverable in exchange for consideration.	When the requiring activity can tolerate non-conformance (per FAR 46.407(c)).
	3. Accept the deliverable and invoke a warranty to have the deliverable brought up to specification after acceptance.	When there is an applicable warranty and immediate acceptance will benefit the requiring activity.
	4. Reject the deliverable and obtain correction or replacement at no cost to the Government. Tell the payment office to withhold payment until an acceptable deliverable has been furnished.	When there is a reasonable expectation that a satisfactory replacement will be provided by the delivery date in the contract, or, for consideration, within a reasonable time thereafter (see option 1 under LATE DELIVERY).
	5. Reject the deliverable and send a cure or show cause notice.	When there is little expectation of receiving an acceptable product within a reasonable time.

UNIT 65 REMEDIES (NONCOMMERCIAL CONTRACTS —APPENDIX I DECISION TABLE FOR SELECTING A CONTRACT REMEDY

PROBLEM	OPTIONS	COMMENT
THE DELIVERABLE HAS BEEN ACCEPTED BUT DOES NOT CONFORM TO THE CONTRACT'S REQUIREMENTS Note: When the contracting officer has determined that the Government has a reasonably strong case based on the terms and conditions of the contract.	1. Invoke an express warranty.	If an express warranty applies.
	2. Invoke an implied warranty.	If an implied warranty applies (i.e., because the contract does not establish "finality of acceptance").
	3. Demand that the deliverable be replaced or corrected and/or that the price be adjusted downward.	If there was a latent defect or acceptance was based on fraud or gross mistake.
OTHER BREACHES Note: When the contracting officer has exhausted all efforts at informal resolution of the problem.	1. Invoke whatever remedy (if any) is established in the applicable clause.	Examples: • Liquidated damages per FAR 52.219-16 for failing to comply with the subcontracting plan. • Liquidated damages and withholding for unpaid wages under FAR 52.222-4, "Contracting Work Hours and Safety Standards Act—Overtime Compensation." • Cancellation, suspension, or termination of the contract under FAR 52.222-26, "Equal Opportunity." • Withholding of payments and termination under FAR 52.222-41, "Service Contract Act of 1965, As Amended." • Suspension of contract payments, termination for default, and suspension or debarment under FAR 52.223-6, "Drug-Free Workplace".
	2. Reduce or suspend progress, advance, or performance based payments (e.g., FAR 52.232-16(c)(2) or FAR 52.232-12(k)).	
	3. Send a cure notice (10 days or more prior to the contract's delivery date).	When the breach is of sufficient magnitude to warrant termination for default.

UNIT 66 DOCUMENTING PAST PERFORMANCE

September 1998

Duty	Document past performance information.
Conditions	Given a contract, contract administration plan, and contracting officer representatives or technical representatives (from Unit 54).
Overall Standard(s)	Comply with FAR and agency policies. Documented past performance information fairly and validly characterizes the contractor's actual performance. Past performance information is complete and sufficient for application in pre-award source selections.

UNIT 66 DOCUMENTING PAST PERFORMANCE

Policies

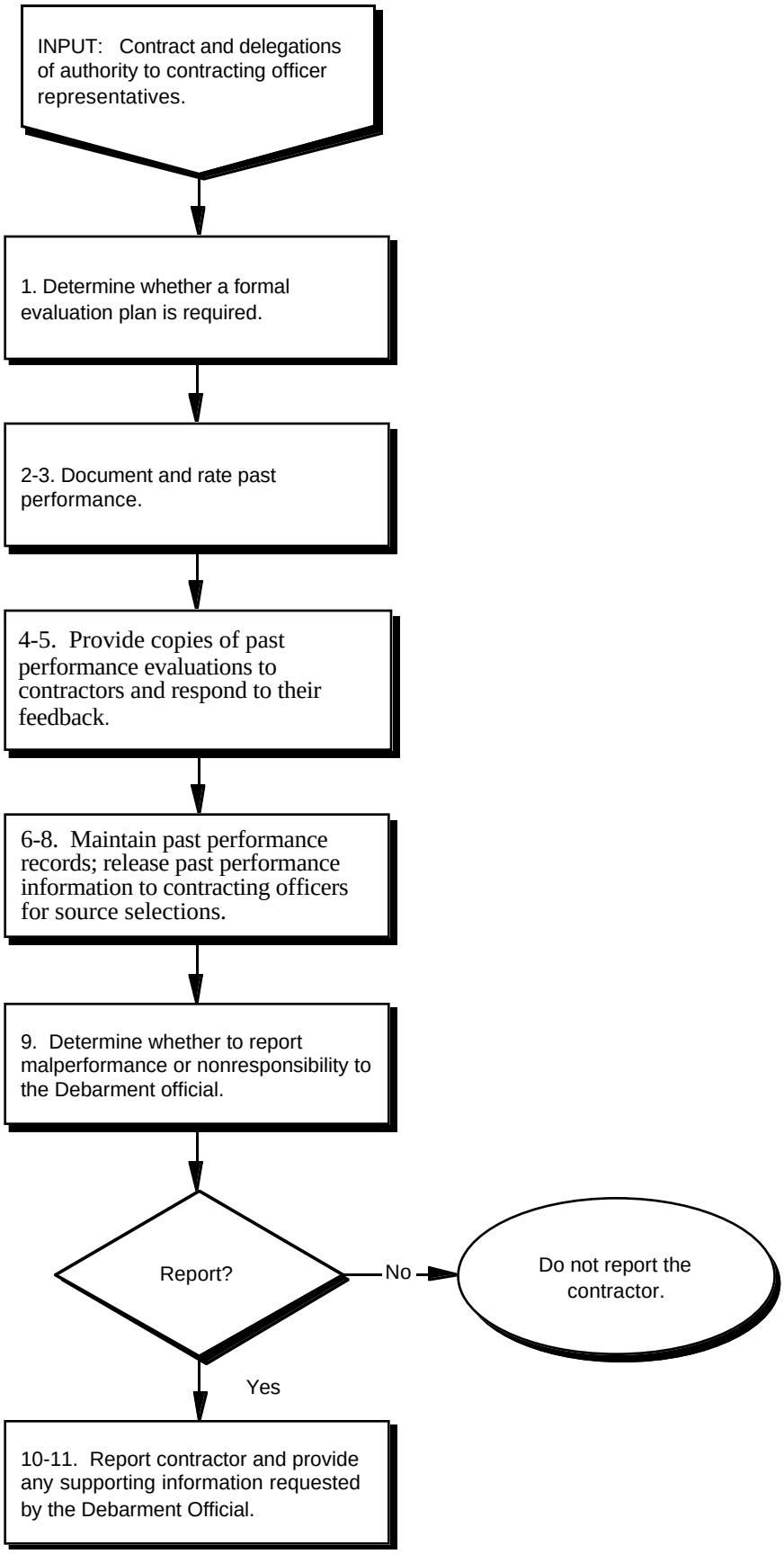
FAR	*Agency Suppl.*	*Subject*
9.403		Definition of “unfair trade practice”.
9.406-2(b)		Debarment based on malperformance under a contract.
42.15		Contractor performance information

Other KSA's

1. Knowledge of reporting channels and responsible officials.
2. Knowledge of past performance information and its uses.

Other Policies and References (Annotate As Necessary):

REPORTING PERFORMANCE PROBLEMS



UNIT 66 DOCUMENTING PAST PERFORMANCE

Tasks	Related Standards
1. Determine whether a formal evaluation is required.	1. Accurately identify the dollar thresholds above which formal evaluations are required.
2. Document past performance information.	2. Correctly identify (based on feedback from Unit 61), classify, and record past performance information. Consider all information (including informal feedback from contractor personnel as well as Government personnel) when drafting the final evaluation. Accurately determine the extent to which performance problems are the fault of Government personnel. Accurately distinguish problems in satisfying contractual requirements from complaints that a contractor has failed to satisfy a Federal employee's extra-contractual demands.
3. Rate past performance.	3. Correctly interpret and apply rating scales prescribed by the contracting activity. As recorded in the contract file, past performance information supports the ratings, in terms of validity and freedom from bias, arbitrariness, or capriciousness.
4. Provide copies of past performance evaluations to contractors.	4. All such information is complete and provided to the contractor within the deadlines established by the FAR. Accurately answer contractor questions about appeal rights.
5. Respond to contractor rebuttals.	
6. Retain evaluations.	6, Accurately identify FAR requirements for retaining past performance information (including copies of the contractor's responses and reviews of same).
7. Release past performance information to Federal contracting officers.	7. Only release evaluations to Federal officials authorized to obtain the information. Correctly follow prescribed procedures for releasing the evaluations.

UNIT 66 DOCUMENTING PAST PERFORMANCE

Tasks	Related Standards
8. Delete past performance information.	8. Delete the information within three years after completion of contract performance.
9. Determine whether to report malperformance or nonresponsibility to the Debarment Official.	9. Report evidence of significant or recurring performance problems, such as the following. • Willful refusal to perform in accordance with the terms of one or more contracts. • History of failure to perform or unsatisfactory performance of one or more contracts, as evidenced by such things as: - Termination for default. - Repeated late deliveries. - Repeated rejections of work, marginal quality. • Violation of the Drug Free Workplace Act of 1988, as evidenced by such things as: - Submission of a false certificate. - Failure to comply with the certificate. - Repeated convictions of contractor employees for violations of criminal drug statutes which occur in the workplace. • Commission of an "unfair trade practice", as defined at FAR 9.403. • Intentionally affixing a "made in America" label to a foreign made product. Report nonresponsibility determinations when there is evidence that the contractor cannot be trusted to perform any work (vis-à-vis lacking the capability to perform the work at issue in the solicitation). In particular, report: • Evidence of malperformance collected from other customers of the contractor. • Lack of integrity or failure to observe business ethics. • Evidence that the offeror is a front for a debarred or suspended business entity.

UNIT 66 DOCUMENTING PAST PERFORMANCE

Tasks	Related Standards
10. Prepare reports to the Debarment official. • Description of the performance problem. • Discussion of mitigating or extenuating circumstance, if any. • Indexed file of related documents. • Any known relationships between the contractor and other entities that have had similar problems. • Analysis of the impact that the contractor's performance problems have had on: - Overall cost and delays in obtaining needed supplies and services. - Competition and withdrawal of more responsible suppliers from the Government market. - Mission accomplishment.	
11. Provide any additional data requested by the Debarment official. • Potential impact of a debarment on the Government's ability to meet its needs. • Current mailing address for the contractor and any affiliates. • Any other.	

UNIT 67 INVOICES

February 1999

Duty	Determine whether to authorize payment against an invoice in full, in part, or not at all.
Conditions	Given a contract and an invoice for payment.
Overall Standard(s)	Authorize payment of money of the amount to which the contractor is entitled under the terms and conditions of the contract (not more; not less). Payment conforms to agency policies and the Prompt Payment Act.

UNIT 67 INVOICES

Policies

FAR	*Agency Suppl.*	*Subject*
4.9		Reporting payment information to the IRS.
8.709		Payment against invoices from workshops for the Blind and Other Severely Handicapped and from the Federal Prison Industries, Inc.
12.302(b)		NO tailoring of the terms and conditions of FAR clause 52.212-4 with respect to assignment, payment, and invoices.
13.101(a)		Using United States-owned excess or near-excess foreign currency, if appropriate, in making payments under simplified acquisition procedures.
13.4		Fast payment procedures.
22.1022		Withholdings from contract payments under the Service Contract Act.
23.506		Suspension of payments under the drug-free work place clause.
27.205 and 206		Refunding of royalties.
29		Taxes (refunds for).
32.102(d)		Partial payments.
32.611 and 612		Set offs for debt collection.
32.804		Protection for assignees from reductions or withholdings.
32.9		Prompt payment.
35.003(c)		Recoupment.
42.7		Indirect cost rates.
42.1403		Shipping documents covering F.O.B. origin shipments (e.g., bills of lading).
47.103		Transportation Documentation and Audit Regulation (e.g., Government Bills of Lading).
47.104-5		Citation of Government rate tenders.
47.401-405		Disallowance of fares of foreign-flag air carriers.
49.112		Payment when terminating.
52.212-4(g)		Invoices for payment under contracts for commercial items.
52.212-4(i)		Payment under contracts for commercial items.
52.213-1		Fast Payment Procedure.
52.216-7		Allowable costs and payment under cost reimbursement contracts.
52.216-8, 216-10, and 216-11		Fee arrangements under cost reimbursement contracts.
52.216-15		Predetermined indirect cost rates (cost reimbursement R&D contracts with educational institutions).
52.216-16 & 216-17		Payment under fixed price incentive contracts.
52.216-26		Payments of allowable costs before the definitization of letter contracts.
52.222-4 & 222-41		Withholdings for unpaid wages under the Contract Work Hours and Safety Standards Act.
52.222-41		Withholdings of payments under the Service Contract Act.

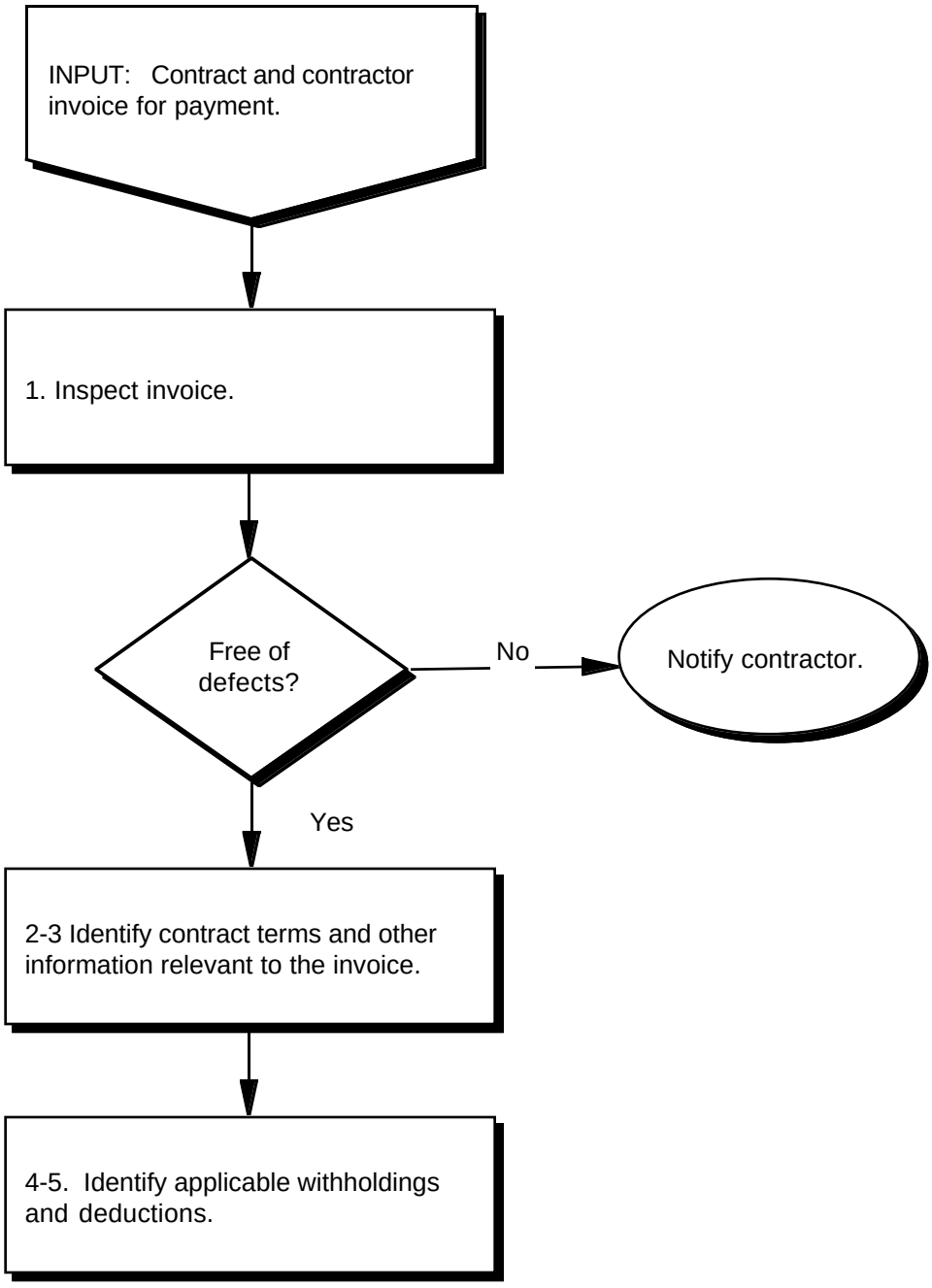
UNIT 67 INVOICES

52.223-6		Suspension of payments for failing to comply with requirements for a drug free work place.
52.225-10		Reduction of price when supplies enter duty-free.
52.227-9		Refund of royalties.
52.212-4(k) 52.229-1, 229-3 thru 229-10		Taxes.
52.232-1 thru 232-3.		Payment clauses.
52.232-7 thru 232-9		Payments under Time-And-Materials and Labor-Hour contracts.
52.232-8		Discounts for prompt payment.
52.232-9		Limitation on withholding of payment.
52.232-11		Extras
52.232-25		Prompt payment.
52.232-28		Electronic Funds Transfer Payment Methods.
52.242-10 and 242-11		Government bills of lading.
52.247-1		Commercial bills of lading.
52.247-63		Preference for U.S.-Flag air carriers (disallowance of expenditures from funds for international air transportation secured aboard a foreign-flag carrier).

Other KSA's

Other Policies and References (Annotate As Necessary):

Payment Against Invoices



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Payment Against Invoices

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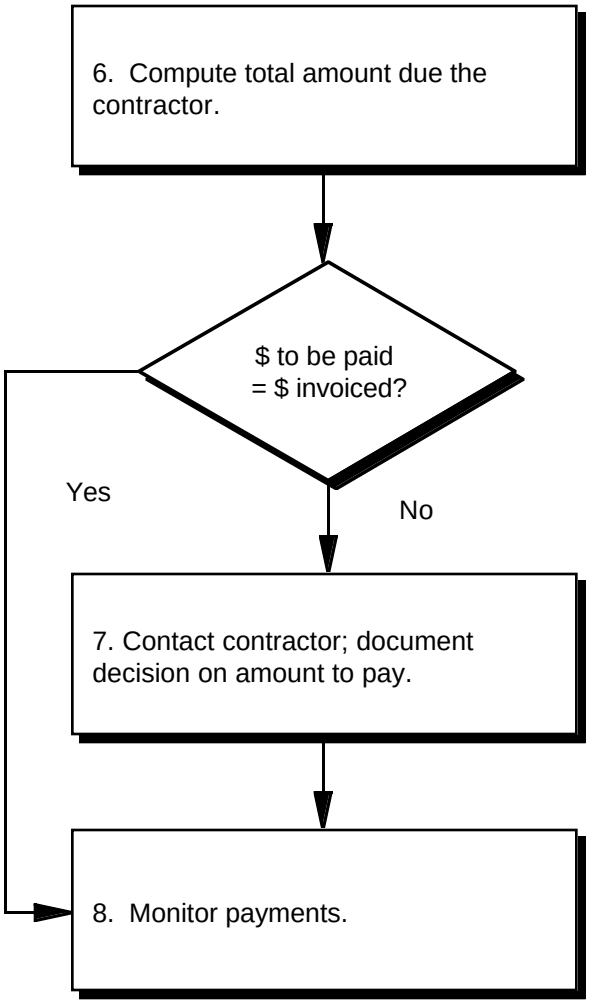


UNIT 67 INVOICES

Tasks	Related Standards
1. Inspect invoice for completeness and notify contractor of any defects.	1. Check invoices to ensure that the billing office has annotated the actual date of receipt. Identify any missing elements per FAR 32.905(e) or, when applicable, FAR 52.213-1(c). Notify the contractor of defects in the invoice within 7 calendar days after receipt of the invoice at the designated billing office (to avoid interest penalties under the Prompt Payment Act).
2. Identify terms and conditions of the contract which bear on the amount to be paid.	2. Correctly identify all applicable terms and conditions (e.g., price, type of contract, payment, period for constructive acceptance, discounts, liquidated damages, Service Contract Act).
3. Obtain documents and determinations that bear on the amount to be paid. Examples: • Inspection or receiving report forms or commercial shipping documents and packing lists (per Unit 61). • Documentation on the application of remedies (from Unit 64 and 65), such as liquidated damages or rejection of work. • Determinations on billing rates (per Unit 72), final indirect cost rates (per Unit 72), and on the allowability of invoiced costs (per Unit 71). • Reports on contractor indebtedness (from Unit 75). • Adjustments to liquidation rates or reductions in commercial financing, advance, progress, or performance-based payments (Unit 70). • Interim or final adjustments to the contract price (per Unit 74). • Contract modifications (Unit 58). • Contracting officer's final decision on a claim (from Unit 82). • Termination settlements (from Unit 83).	
4. Identify deductions (see Appendix I) or other necessary corrections to the invoice.	4. Accurately recognize every item to deduct or withhold and the amount of each deduction or withholding.

Tasks	Related Standards
5. Determine whether an assignee is protected from the deduction or withholding. • From recovery of payments made by the Government to the assignee under any contract on account of any liability of the contractor to the Government. • By a no set-off commitment in the contract which entitles the assignee to receive contract payments free of reduction or set-off for: - Any liability of the contractor to the Government arising independently of the contract. - Renegotiation under any statute or contract clause. - Fines. - Penalties (excluding those that may be collected or withheld from the contractor under the terms of the contract or for failure to comply with the contract's terms). - Taxes or social security contributions. - Withholding or nonwithholding of taxes or social security contributions.	5. The determination should conform to FAR 32.804. Notwithstanding the no set-off commitment, set-off when: • The assignee has neither made a loan under the contract nor has made any commitment to do so. • The amount due on the contract exceeds the amount of any loans made or expected to be made under a firm commitment for financing.
6. Do mathematical computations to determine the total amount due the contractor.	6. Calculate the accurate amount owed.
7. Contact the contractor to explain any differences between the amount of the submitted invoice and the amount that the Government proposes to pay.	7. Accurately present all factual data that justifies the difference. Provide the contractor an opportunity to present his/her position and ensure that the contractor's management is aware of potential performance problems.

Tasks	Related Standards
8. Reach and, where necessary, document the decision on the amount to pay against an invoice. Alternatives: • Pay in full. • Pay in part, after written notice to the contractor which specifies the deductions and/or withholdings. • Reject the invoice and return it to the contractor for correction and resubmission, specifying the reason.	8. Notify the contractor of defects in the invoice (in terms of disagreements with the amount invoiced) within 7 calendar days after receipt of the invoice at the designated billing office (to avoid interest penalties under the Prompt Payment Act). Notify the contractor of deductions or withholdings from the amount invoiced within 30 days after the designated billing office has received a proper invoice from the contractor, or within 30 days after Government acceptance, whichever is later (assuming no disagreement over quantity, quality, or contractor compliance with contract requirements.).

Tasks	Related Standards
9. Monitor payments.	9. Submit the correct invoice to Finance Office in a timely manner (within the meaning of the Prompt Payment Act) and within the time standards agreed upon between the Contracting Officer and the Certifying Finance Officer. In general, payment should be made within 30 days after the designated billing office has received a proper invoice from the contractor, or within 30 days after Government acceptance, whichever is later (assuming no disagreement over quantity, quality, or contractor compliance with contract requirements.). For contractor financing payments, payment should be made within 30 days after the designated billing office has received a proper request.[1] However, "interest penalties are not required on payment delays due to disagreement between the Government and contractor over the payment amount, or other issues involving contract compliance, or on amounts temporarily withheld or retained in accordance with the terms of the contract."—FAR 32.907-1(f). Payment should be made within 20 days but no later than 30 days for supplies or services on the Procurement List of supplies available from workshops for the Blind or Other Severely Handicapped or from the Federal Prison Industries, Inc. Ensure payments are reported to the IRS.

[1] Note that an agency can amend the clause at 52.232-25 to specify a period shorter than 30 days, but not less than 7 days, for making contractor invoice payments.

UNIT 67 INVOICES — APPENDIX I

TABLE OF DEDUCTIONS FROM INVOICED AMOUNTS

WHEN:	DEDUCT:	PER FAR:
Administering Fixed Price Contracts	Invoiced items that have not been received or accepted.	52.232-1 and 52.232-2
	Invoiced prices that exceed the contract price for the supplies or services.	
	Invoiced partial payments when the amount due on the deliverables is less than $1,000 or 50% of the purchase price.	
	Invoiced amounts for "extras."	52.232-11
	Discounts for early payment.	52.232-25
	State and local taxes, by furnishing the contractor with an evidence of any exemption from such taxes.	52.229-1
	After-relieved Federal or foreign taxes.[1]	52.229-3 through 52.229-7
	The amount of any Federal excise tax or duty (except social security or other employment taxes) that the Contractor is required to pay or bear, or does not obtain a refund of, through the Contractor's fault, negligence or failure to follow the Contracting Officer's instructions.	
Billed for transportation costs	Improperly supported reimbursement for transportation charges.	52.242-10 and 52.247-1
Modifying the Contract (Per Unit 58)	Unilateral or bilateral downward adjustments to the contract price (including adjustments that result from the resolution of performance problems per Units 59 or 60).	Part 43, 52.243-1 to 52.243-7, and 52.248-1.
Implementing Special Contract Remedies (Per Units 64 & 65)	Liquidated damages— • Per the clause at 52.211-11 (Liquidated Damages—Supplies, Services, or Research and Development) • Per the clause at 52.219-16 Liquidated Damages—Small Business Subcontracting Plan. • Per the clause at 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation.	52.211-11, 52.219-16, and 52.222-4
	Unpaid wages— • Per the clause at 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation. • Per the clause at 52.222-41 Service Contract of 1967, As Amended.	52.222-4 and 52.222-41

[1] "After-relieved" means a tax that the contractor is no longer required to pay or bear or for which the contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date. Also note that the contract price might be adjusted upwards based on "after-imposed" taxes. Consult the agency-designated counsel to determine the applicability of a tax.

UNIT 67 INVOICES — APPENDIX I

TABLE OF DEDUCTIONS FROM INVOICED AMOUNTS

WHEN:	DEDUCT:	PER FAR:
Collecting Contractor Debts (Per Unit 75)	Setoffs for the collection of contractor debts.	32.611 and 32.612
Progress Payments Are Being Made (Per Unit 70)	From invoiced prices, amounts necessary to liquidate prior progress payments (as calculated per the terms of the Progress Payments clause).	52.232-16
	Unallowable costs invoiced on the SF 1443 (Contractor's Request for Progress Payments).	
	For customary progress payments, 20% of the cumulative total allowable costs (15% for small businesses) reported on the SF 1443 (Contractor's Request for Progress Payments), less the sum of all previous progress payments.	
	Costs invoiced on the SF 1443 (Contractor's Request for Progress Payments), when a decision has been made to suspend or reduce progress payments.	
Administering A Cost Reimbursement Contract	Retainages, such as: • 15% of fee per FAR 52.216-8 and 216-10 for cost plus fixed fee or incentive fee contracts. • 1% of total estimated cost as shown in the Schedule or $100,000 under FAR 52.216-11 in cost-no fee contracts .	52.216-7, 52.216-8 216-10, and 216-11
	Payment on the basis of a lesser fee under cost plus incentive fee contracts, when the contractor is not likely to achieve the target.	
	Unallowable costs per Unit 71.	
	Overbilled indirect costs, given billing rates or final indirect cost rates for the period (see Unit 72)	
	Costs in excess of the limitation of costs in cost reimbursable contracts (per Unit 73).	
	Any tax or duty of a foreign Government from which the U.S. Government is exempt by agreement with the foreign Government .	52.229-8 or 52.229-9
	In cost sharing R&D contracts, recoupment of Government-funded nonrecurring costs from contractors that sell, lease, or license the resulting products or technology to buyers other than the Federal Government.	35.003(c)

UNIT 67 INVOICES — APPENDIX I

TABLE OF DEDUCTIONS FROM INVOICED AMOUNTS

WHEN:	DEDUCT:	PER FAR:
Administering A Fixed Price Incentive Contract (Per Unit 74)	The amount that invoiced prices exceed current billing prices (e.g., when billing prices are reduced).	52.216-16 and 52.216-17
	The amount that billing prices exceeded the final prices for deliverables under fixed price incentive contracts.	
Administering A Time-And-Materials or Labor-Hour Contract	Any amount in excess of the ceiling price (per Unit 73).	52.232-7
	A retainage of 5% of the amount due until execution and delivery of the contractor's release.	
	Overpayments or improper amounts for materials or subcontracts.	
Administering a Letter Contract	Invoiced amounts in excess of the limitation of reimbursement and reimbursement rates.	52.216-26
Royalties are being paid[1]	Royalties in excess of the amount that is owed by the Government.	52.227-9
Terminating a contract	Invoiced amounts that are greater than the amount authorized for partial payment or final payment of termination settlements.	49.112, 49.402-6, and 49.402-7(b).
	Partial payments that exceeded the amount of the final termination settlement.	
	Reprocurement costs and costs for any other damages.	

[1]Do not pay the invoiced amount for a royalty when:

- The Government has a royalty-free license which covers that royalty.
- Billed at a rate in excess of the rate for which the Government is licensed.
- The royalties in whole or in part otherwise constitute an improper charge.

UNIT 67 INVOICES — APPENDIX I

TABLE OF DEDUCTIONS FROM INVOICED AMOUNTS

WHEN:	DEDUCT:	PER FAR:

UNIT 68 ASSIGNMENT OF CLAIMS

September 1998

Duty	Approve or disapprove the request for an assignment of claims.
Conditions	Given a contract, a request from the contractor for an assignment of claims, and a copy of the Notice of Assignment.
Overall Standard(s)	Approve the request if it meets terms of contract and FAR/agency requirements.

UNIT 68 ASSIGNMENT OF CLAIMS

Policies

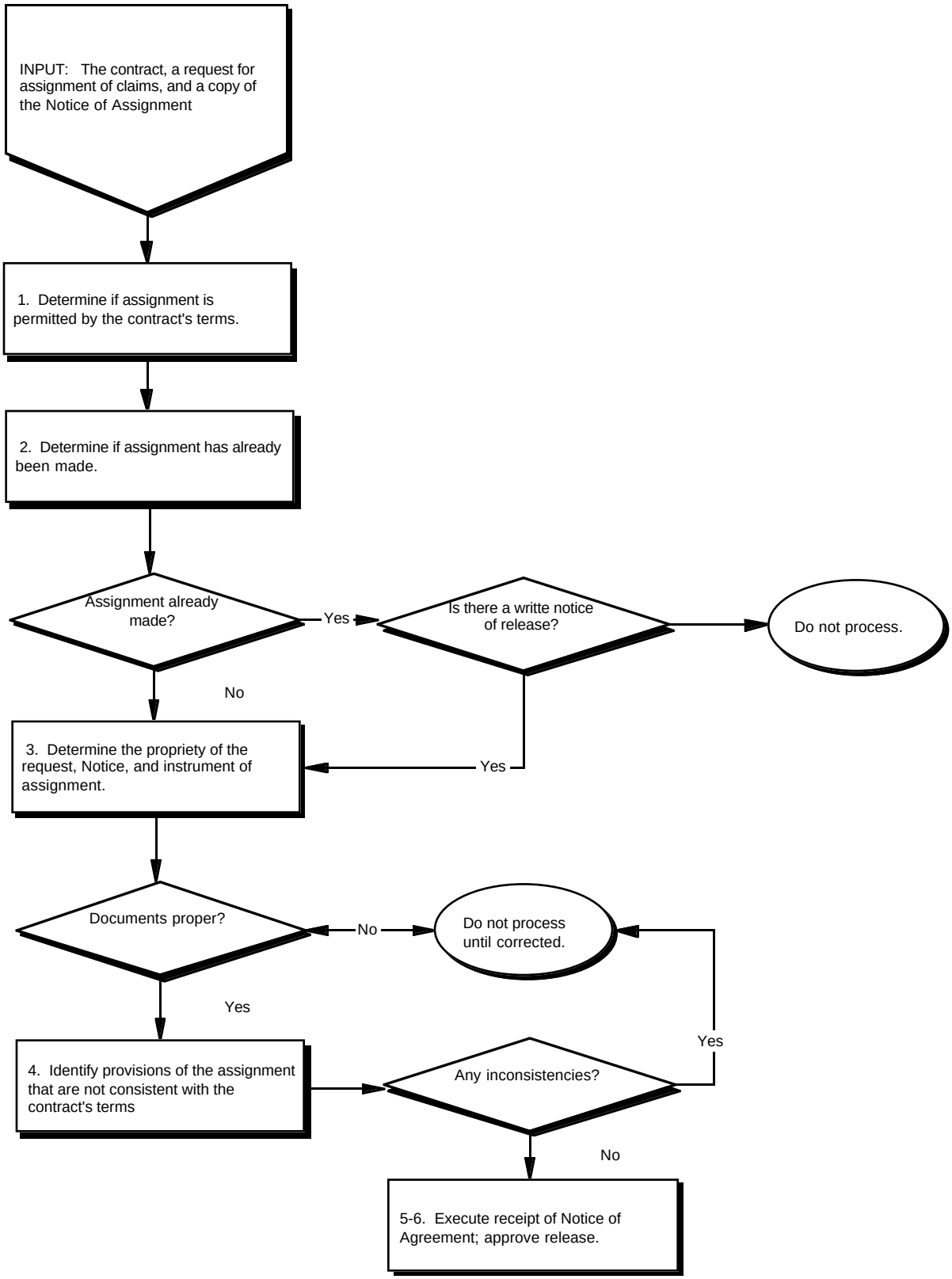
FAR	*Agency Suppl.*	*Subject*
32.8		Assignment of claims.
52.212-4(b)		Assignment in commercial item contracts.
52.232-23		Assignment of claims clause.
52.232-24		Prohibition of assignment of claims.

Other KSA's

1. Knowledge of types of financing institutions, authority to sign legally binding documents, and Freedom of Information requirements.

Other Policies and References (Annotate As Necessary):

ASSIGNMENT OF CLAIMS



UNIT 68 ASSIGNMENT OF CLAIMS

Tasks	Related Standards
1. Determine if assignment is permitted in accordance with contract terms. If not: • Negotiate a supplemental agreement to incorporate the assignment of claims clause, with appropriate consideration to the Government, or • Retain prohibition on assignment if in the Government's interests.	
2. Determine if an assignment has already been made.	2. If an assignment has already been made, make no new assignment unless the assignee files a: • Written notice of release of the contractor by the assigning financial institutions. • Copy of the release instrument. • Written notice of the further assignment or reassignment. • Copy of the further assignment or reassignment instrument.
3. Determine whether the request, Notice of Assignment, and instrument of assignment are proper. • Assignment is to bank, trust company or other financing agency, including any Federal lending agency. • Assignment is for all unpaid amounts payable under the contract. • Assignment is to only one party and not subject to further assignment (although assignments may be made to a party as agent or trustee for two or more parties participating in the financing of the contract). • Contractor does not furnish or disclose any classified information to the assignee unless authorized by the Contracting Officer. • An original and 3 copies of the written notice of the assignment together with one true copy (i.e., a certified duplicate or photostat) of the assignment instrument has been forwarded by the assignee to each of the following parties: - The contracting officer or the agency head. - The surety, if applicable. - The disbursing officer designated in the contract to make payment. • The assignment is properly executed.	3. See FAR 32.805 for a suggested format. If a corporation, the assignment must be: • Executed by an authorized representative. • Attested by secretary or assistant secretary of the corporation • Impressed with corporate seal or accompanied by certified copy of resolution of corporation's board of directors authorizing the signing representative to execute assignment. If a partnership, the assignment may be signed by one partner if accompanied and acknowledged certification that signor is a general partner of the partnership. If an individual, the assignment must be signed by that individual and the signature must be notarized.

UNIT 68 ASSIGNMENT OF CLAIMS

Tasks	Related Standards
4. Identify any provisions of the assignment that are not consistent with the contract's terms and conditions.	4. Approve no assignment that is not consistent with other terms and conditions of the contract. Confirm that: • The contract has been properly approved and executed. • The contract is one under which claims may be assigned. • The assignment covers only money due or to become due under the contract.
5. Execute receipt of Notice of Assignment and return the three copies to the assignee. • If the notice is okay, receipt and return copies to assignee. • If the notice is not okay, return to assignee for proper completion or amendment. • If assignment is not permissible, notify assignee.	
6. Approve release of assignment per the contractor's written request. • Verify the release instrument (contact the assignee with any questions). • Verify that written notice of the release, along with a true copy of the release instrument, have been received by the: - The contracting officer or the agency head. - The surety, if applicable. - The disbursing officer designated in the contract to make payment. • Acknowledge receipt of the notice to contractor. • Direct the finance office to make any needed changes in the issuance of payments.	6. Do not approve the release instrument unless it is accurate, complete, and includes true copy of the release of assignment instrument.

UNIT 68 ASSIGNMENT OF CLAIMS

Tasks	Related Standards

UNIT 69 ADMINISTERING SECURITIES

September 1998

Duties	1. Maintain bonds and other securities. 2. Upon termination for cause or default, apply bonds in completing contracts.
Conditions	Given contracts and related bonds.
Overall Standard(s)	Upon default, obtain completion of contract at expense of the surety (to extent of surety's liability).

UNIT 69 ADMINISTERING SECURITIES

Policies

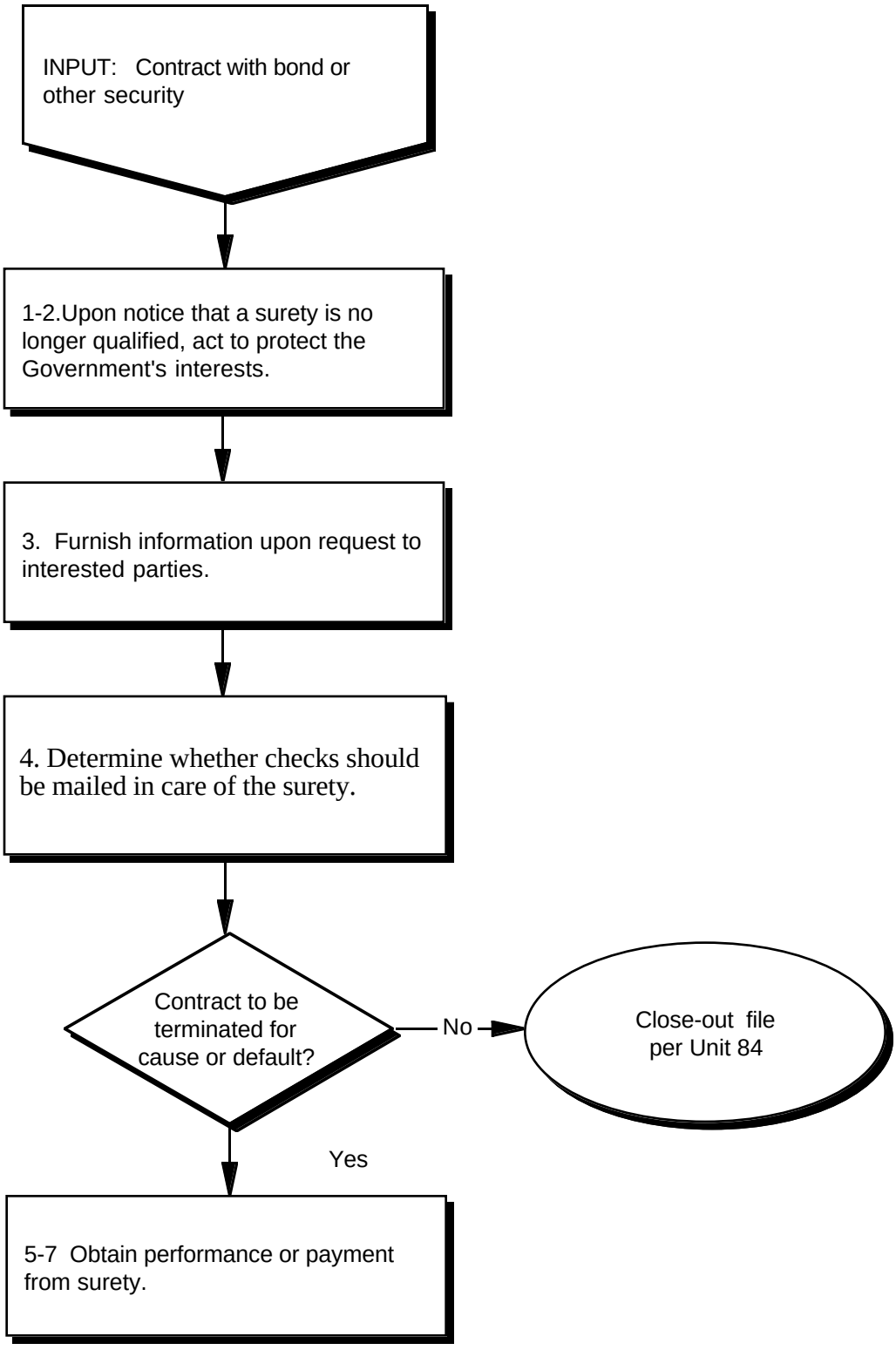
FAR	*Agency Suppl.*	*Subject*
9.405(c)		No debarred sureties.
28.106		Bond Administration
28.2		Sureties and other securities.
49.102(b); 49.402-3(e)(2)		Notice to surety of imminent default.
49.402-3(e)(3)		Mailing checks c/o surety in event of default notice.
49.402-3(h)		Copy of default notice to surety.
49.402-4(a)		Performance by the surety as an alternative to termination for default.
49.404		Surety-takeover agreements.
49.405		Completion by another contractor.
49.406		Liquidation of liability.
52.228-2		Additional bond security.
SF 25 SF 1415 SF 1416		Bond forms.

Other KSA's

1. Commercial Law and Business Finance.
2. Knowledge of typical agency bonding clauses, types of bonds, and bond forms.
3. The Treasury List of Approved Sureties.

Other Policies and References (Annotate As Necessary):

ADMINISTERING SECURITIES



UNIT 69 ADMINISTERING SECURITIES

Tasks	Related Standards
1. Determine whether to obtain additional security. Example: • Securing new bonds with acceptable sureties in lieu of outstanding bonds with the named company.	1. Obtain additional security where necessary to protect the Government and persons supplying labor or materials under contracts. Among reasons for considering additional security: • The surety upon any bond, or issuing financial institution for other security, furnished with this contract becomes unacceptable to the Government (e.g., upon notification of termination of a company's authority to qualify as a surety on Federal bonds). • The surety fails to furnish reports on its financial condition as required by the Government. • The contract price is increased so that the penal sum of any bond becomes inadequate. • The contract performance period is extended and an irrevocable letter of credit (ILC) is used as security.
2. When new surety bonds are approved, notify the principle and surety of the original bond(s) that new bond(s) have been issued and the effective date of the new bond(s).	2. When contracts are modified, obtain the consent of surety if: • An additional bond is obtained from other than the original surety. • No additional bond is required. • The modification is for new work beyond the scope of the original contract. • The modification does not change the scope, but changes the contract price by more than 25 percent or $50,000.00 (upward or downward).

UNIT 69 ADMINISTERING SECURITIES

Tasks	Related Standards
3. Furnish information upon request to interested parties. Furnish to: • The surety, regarding progress of work, and payments. • Subcontractors or suppliers, regarding the name and address of surety, work progress, and payments. (The same information may be furnished to other persons who can provide written evidence that they have furnished labor or materials for the contract and have not been paid.) • Any person who gives an affidavit that they have supplied labor or materials and have not been paid, a certified copy of payment bond and contract .	3. Only provide information that may be made available on the status of the contract and/or bonds, such as a written notification (not the actual notice) of default.
4. If requested by the surety and agreed to by the contractor and any assignees, mail checks to the contractor in care of the surety.	
5. If the contract is to be terminated, obtain decision from bonding company on whether or not it plans to "take over" the contract. • Provide opportunity for surety to take over the contract and complete performance (since surety is liable for damages resulting from contractor's default). • If the surety declines or its takeover plans are not acceptable, proceed with replacement contractor and notify surety of its responsibility for reprocurement costs, damages, additional costs, etc. • If surety takes over, prepare Takeover Agreement between the defaulting contractor, surety, assignee (if any), and Government.	5. Execute takeover agreement within a short period after default notice (to mitigate damages). Only permit takeover when the persons or firms proposed by the surety to complete the work are competent and qualified and the interests of the Government would not be substantially prejudiced. Takeover agreements meet the tests of FAR 49.404.
6. Obtain funds from the surety to cover the defaulting contractor's and the surety's liability to the Government.	6. Recover funds as prescribed at FAR 49.406.

UNIT 69 ADMINISTERING SECURITIES

Tasks	Related Standards
7. Report sureties to the agency's debarring officials. (Impact on the award process: If it is determined that no individual surety in support of a bid guarantee is acceptable, the offeror utilizing the individual surety shall be rejected as nonresponsible, except as provided in FAR 28.101-4. However, Contractors submitting unacceptable individual sureties in satisfaction of a performance or payment bond requirement, may be permitted a reasonable time to substitute an acceptable surety for a surety previously determined to be unacceptable.)	7. Furnish evidence of nonresponsibility, such as: • Failure to fulfill obligations under the bond. • Failure to disclose all bond obligations. • Misrepresentation of the value of available assets. • Any false or misleading statement, signature, or representation on a bond of affidavit of individual surety.

UNIT 70 ADMINISTERING FINANCING TERMS

September 1998

Part A: Commercial Financing

Duty Approve the amount to pay the contractor the financing clause.

Conditions Given a contract with a commercial financing clause and a request for payment under that clause.

Overall Standard(s) Only pay amounts properly due the contractor under the clause. Avoid contractor indebtedness to the Government at the end of contract performance. Mitigate risks to performance of both the Government and the contractor from cash flow problems. Mitigate the Government's risk of providing financing payments when the contractor is not likely to perform for other reasons.

Part B: Progress Payments

Duty Approve the amount to pay the contractor under progress payments clause; determine the need to adjust progress payment or liquidation rates.

Conditions Given a contract with a progress payments clause and a request for progress payments.

Overall Standard(s) Only pay amounts properly due the contractor under the progress payment clause. Avoid contractor indebtedness to the Government at the end of contract performance. Mitigate risks to performance of both the Government and the contractor from cash flow problems. Mitigate the Government's risk of providing progress payments when the contractor is not likely to perform for other reasons.

Part C: Advance Payments

Duty Reserved.

Conditions

Overall Standard(s)

Part D: Performance-Based Payments

Duty	Approve the amount to pay; determine the need to adjust.
Conditions	Given a contract with a performance-based payments clause and a request for payments under that clause.
Overall Standard(s)	Only pay amounts properly due the contractor under the clause. Avoid contractor indebtedness to the Government at the end of contract performance. Mitigate risks to performance of both the Government and the contractor from cash flow problems. Mitigate the Government's risk of providing payments when the contractor is not likely to perform for other reasons.

UNIT 70 ADMINISTERING FINANCING TERMS

Policies

FAR	*Agency Suppl.*	*Subject*
32.104		Providing contract financing.
32.105		Uses of contract financing.
32.2		Commercial item purchase financing.
32.408 through 32.411		Administering advance payments.
32.501		Progress payment rates (customary and unusual); consideration for progress payments.
32.503		Postaward matters with respect to progress payments based on costs.
32.504		Progress payments to subcontractors.
42.703-1(b)		Use of billing rates in determining progress payments.
52.232 -12		Advance payments.
52.232-16		Progress payments.
52.232-29 through 52.232-31		Commercial item financing clauses.

Other KSA's

1. Business Finance and Accounting.

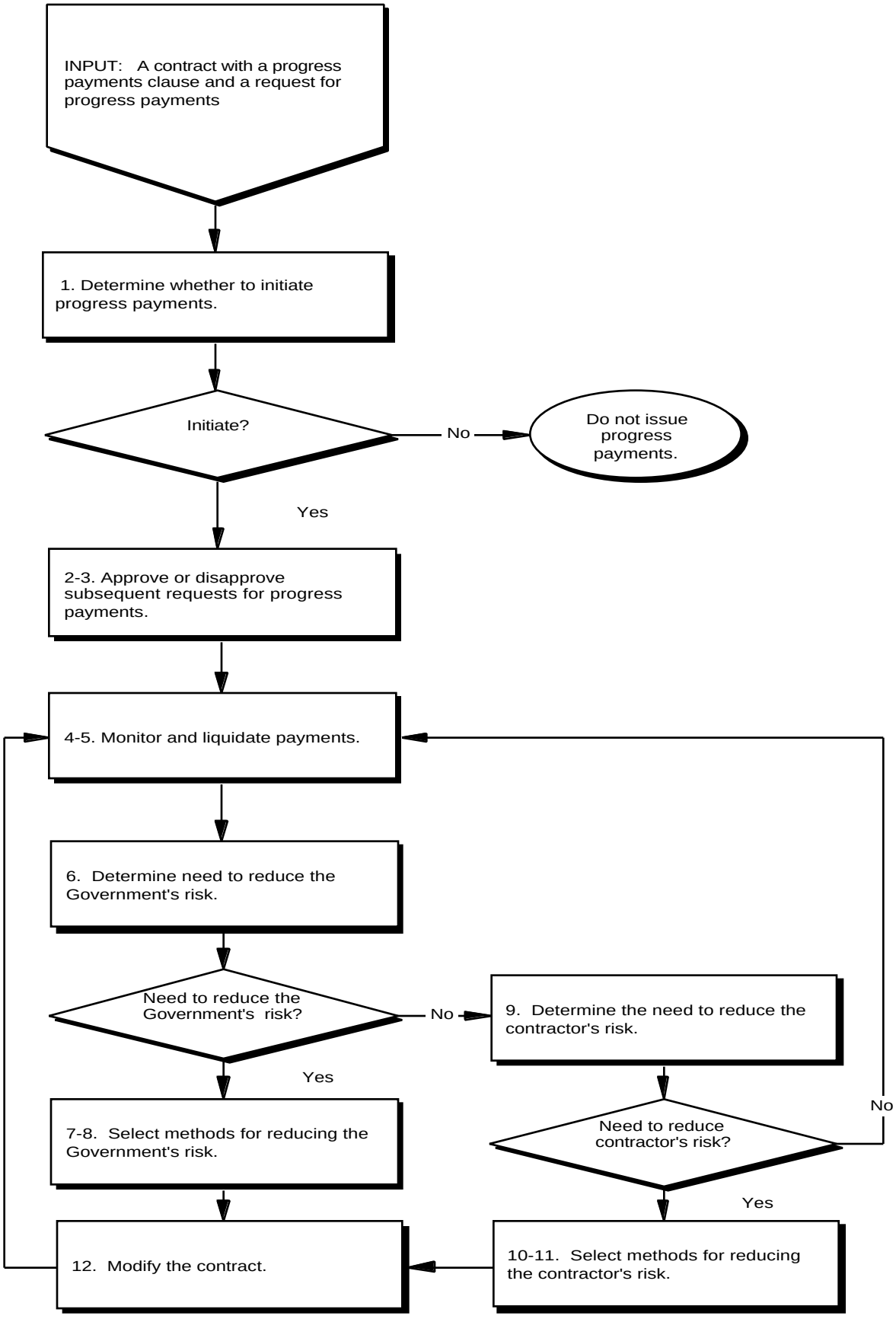
Other Policies and References (Annotate As Necessary):

UNIT 70 ADMINISTERING FINANCING TERMS

Part A: Commercial Financing Payments

Tasks	Related Standards
1. Monitor securities provided by contractors (per Unit 61). Subtasks: · Determine the need for additional security. · If necessary, require the contractor to furnish additional security. · Take action if the contractor fails to provide the additional security (e.g., require submission of alternative forms of security).	A1. The value of the security always equals or exceeds the amount of unliquidated financing. Correctly identifies alternative remedies and determines the best remedy given the circumstances when the contractor fails to furnish the necessary security. Alternatives: · Collect or liquidate such security that has been provided · Suspend further payments to the Contractor · Require the Contractor to repay the amount of unliquidated financing payments as the Contracting Officer at his sole discretion deems repayable. · Some combination of the above.
2. Review requests for payments under the financing clause.	A2. Approve only if: · Prior to any performance of work under the contract, advance payments do NOT total more than 15% of the contract price. · Amounts are properly calculated and otherwise due. · The items or services will be delivered or performed in accordance with all contract terms and conditions. · There has been no impairment or diminution of the Government's security. · Payments are properly liquidated.

Progress Payments



UNIT 70 ADMINISTERING FINANCING TERMS

Part B: Progress Payments

Tasks	Related Standards
1. Determine whether to initiate progress payments. · Determine whether to audit or otherwise investigate the contractor's accounting system and financial condition. · Initiate audit and review audit findings (per Unit 39) or conduct factfinding.	B1. Do not audit or investigate the request if an audit within the last year or other data in the acquisition history provide sufficient grounds for believing that the firm is: · Reliable, competent and capable of satisfactory performance. · Possessed of an adequate accounting system and controls. · In sound financial condition. Otherwise, only begin progress payments if an audit or investigation confirm that: · The contractor will be capable of liquidating any progress payments or that the Government is sufficiently protected against loss by the terms and conditions of the contract, and · The contractor's accounting system and controls are adequate for proper administration of the payments.
2. If the contract did not call for progress payments, determine whether to modify the contract. · Determine whether the contractor's request for financing meets the tests of Unit 20. · Prepare a negotiation position on consideration for adding progress payments. · Negotiate and execute the contract modification.	B2. Correctly apply the criteria in FAR 32.501-3 to establish a prenegotiation position on the amount of consideration and accurately calculate the imputed financial costs of the equivalent working capital.
3. Approve or disapprove requests for progress payments (i.e., SF 1443) under the Progress Payment clause. · If the contractor's request does not conform to 32.503-1, obtain correction. · Determine whether to audit the request.	B3. Approve only that amount allowed under the contract's terms and conditions. The total amount of progress payments approved may not exceed 80% of the total contract price. Request an audit when data from the acquisition history or performance monitoring provides reason to · Question the reliability or accuracy of the contractor's certification. · Believe that the contractor will experience a loss on the contract.

UNIT 70 ADMINISTERING FINANCING TERMS

Part B: Progress Payments

Tasks	Related Standards
4. Monitor the Government's property rights, progress payments, and liquidation rates (per Unit 61), including the periodic conduct of postpayment reviews or audits.	B4. The extent and frequency of monitoring should be greater for contractors which are: · In weak or doubtful financial condition relative to progress payments outstanding or to be outstanding. · Run by managers of doubtful capability. · Weak in terms of accounting controls. · Experiencing substantial difficulties in performance. Conduct postpayment reviews or audits as prescribed in FAR 32.503-3.
5. Liquidate progress payments through deductions in payments to the contractor (per Unit 67).	B5. Deduct the unliquidated amount, or 80% of the amount invoiced, whichever is less.
6. Determine the need to reduce the Government's risk. · The contractor has failed to comply with a material requirements of the contract, such as the requirement in FAR 52.232-16 to: - Maintain an adequate accounting system and controls, - Promptly furnish requested reports, certificates, financial statements and other pertinent information, - Give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts, or - Provide unencumbered title to property per paragraph (d) of the clause. · Performance is endangered by the contractor's failure to make progress or unsatisfactory financial condition. · Inventory allocated to the contract substantially exceeds reasonable requirements. · The contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business. · Unliquidated progress payments exceed the fair value of the work accomplished on the undelivered portion of the contract. · The sum of the total costs incurred under the contract plus the estimated costs to complete the performance are likely to exceed the contract price. · Unliquidated progress payments exceed the contractual limitation of 80% of the contractor's cumulative total costs. · There is substantial evidence that a requested payment is based on fraud.	B6. Make determinations as prescribed in FAR 32.503-6 , 32.503-12, and 32.503-14(c).

UNIT 70 ADMINISTERING FINANCING TERMS

Part B: Progress Payments

Tasks	Related Standards
7. Contact the contractor about need and methods to reduce the Government's risk. · Notify the contractor that the agency is considering a reduction or suspension of payments for fraud. · Consider any rebuttal by the contractor.	B7. Allow the contractor to present his/her view and any supporting facts. Attempt to reach agreement with contractor on a contract modification.
8. Select and implement a method or methods of reducing the Government's risk. Alternatives: · Suspending progress payments. · Reducing progress payments. · Increasing the liquidation rate (amount withheld from each payment for deliverables to pay the Government back for the "loan" of progress payments). · Adding protective terms to the contract, such as: - An agreement from the contractor to pay suppliers and avoid further delinquencies in such payments (but only when the contractor's financial condition is sound). - Personal or corporate guarantees. - Subordinations or standbys of indebtedness. - Special bank accounts. - One or more of the convenants prescribed for advance payments under paragraph (p) of the clause at 52.232-12.	B8. Select and implement a method as prescribed in FAR 32.503-6. When the contractor's total costs are likely to exceed the price of the contract, reduce progress payments by accurately computing a loss ratio factor and adjusting future progress payments to exclude the element of loss.
9. Determine the need to reduce the Contractor's risk. · Contractor's cash flow is not sufficient to sustain contract performance, even with normal progress and liquidation rates. · The government is otherwise protected against loss. · The contractor is otherwise capable and competent to perform (per Unit 48).	

Tasks	Related Standards
10. Select method of further reducing contractor's risk. Alternatives: · Decreasing the liquidation rate on payments for initial deliverables. · Granting an unusual progress payment rate (FAR 32.501-2).	B10. Reduce the liquidation rate when the conditions in FAR 32.503-9 apply. Establish the alternate liquidation rate by correctly applying the factors at FAR 32.503-10.
11. Meet with contractor to discuss the need for reducing the contractor's risk and the recommended method.	B11. Allow the contractor to present his/her view and any supporting facts. Attempt to reach agreement with contractor on a contract modification.
12. Issue a contract modification for any change (per Unit 58).	

UNIT 70 ADMINISTERING FINANCING TERMS

Part C: Advance Payments

Tasks	Related Standards

UNIT 70 ADMINISTERING FINANCING TERMS

Part D: Performance-Based Payments

Tasks	Related Standards
1. Identify intervals (i.e., not more frequently than monthly), the form, and the manner in which contractors shall request performance based financing payments.	
2. Review contractor requests for performance-based finance payments.	D2. Do not pay unless the specified event or performance criterion has been successfully accomplished in accordance with the contract. If necessary, require the contractor to substantiate the event or performance criterion which has been or is represented as being payable. Accurately determine the amount to be paid.
3. Determine whether Government delay is responsible when the contractor falls short of an event or criterion.	D3. If there is a Government-caused delay, consider renegotiating the performance-based payment schedule to facilitate contractor billings for any successfully accomplished portions of the delayed event or criterion.
4. Review information from performance monitoring to ensure that Government title is not compromised by other encumbrances.	D4. Ordinarily rely upon the contractor's certification contained in the payment request. If Government title has been compromised, initiate actions to protect the Government's interests (e.g., require additional protective provisions; consider suspending or reducing performance; consult legal counsel).
5. Determine whether to suspend or reduce performance based payments.	D5. Comply with §52.232-32(e).
6. Determine whether to demand repayment of performance based financing in the event of loss, theft, destruction, or damage to property.	D6. Comply with §52.232-32(g).
7. If the contract is modified, adjust the performance-based payment schedule.	
8. Verify proper liquidation of performance-based finance payments.	

UNIT 70 ADMINISTERING FINANCING TERMS

Part D: Performance-Based Payments

Tasks	Related Standards

UNIT 71 UNALLOWABLE COSTS

September 1998

Duty	Disapprove unallowable costs.
Conditions	Given invoices, findings and recommendations from auditors, and the related contracts.
Overall Standard(s)	Payments are not made for unallowable costs. Contractors are given proper notice of disallowance.

UNIT 71 UNALLOWABLE COSTS

Policies

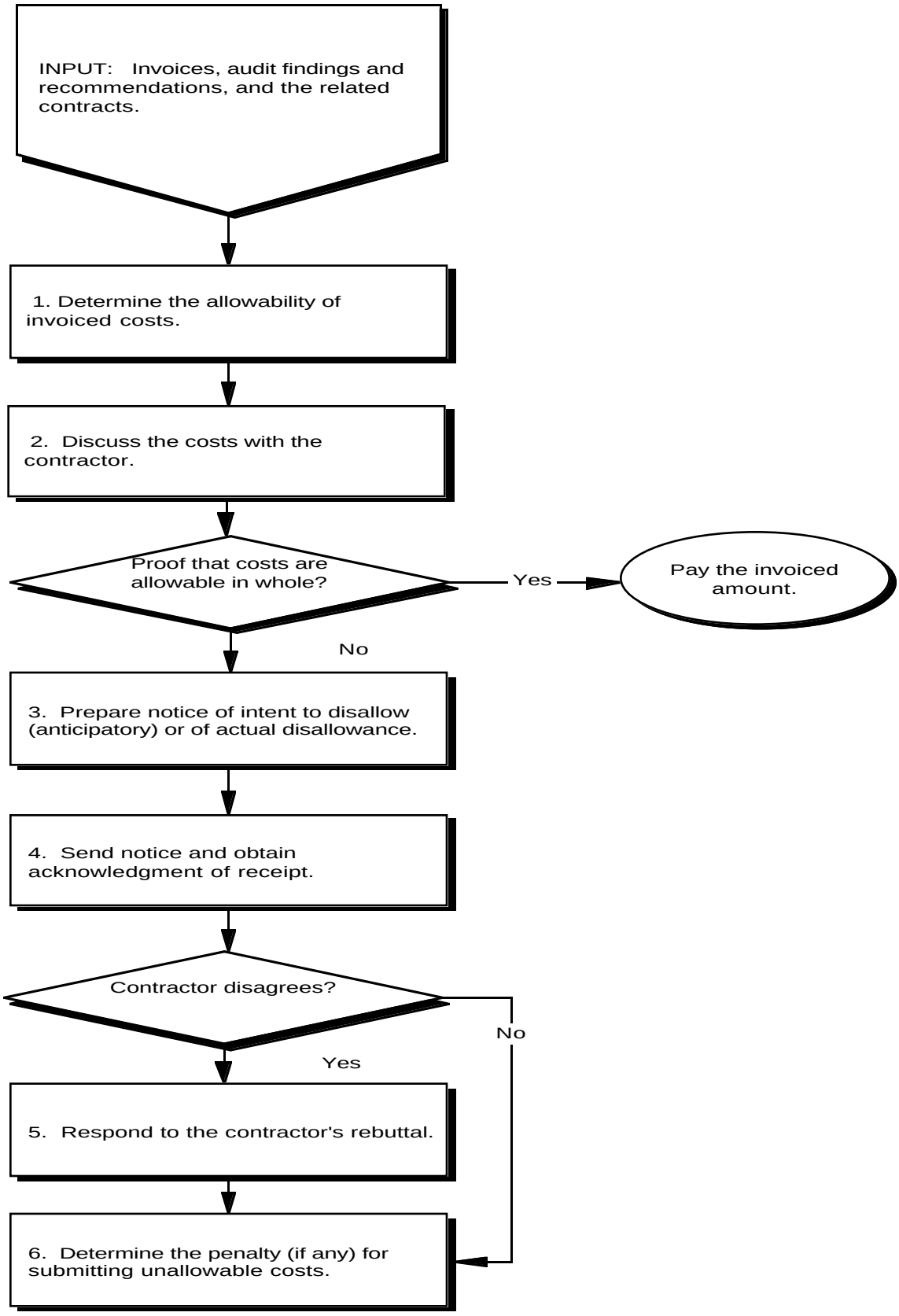
FAR	*Agency Suppl.*	*Subject*
31		Contract cost principles and procedures.
42.8		Disallowance of costs.
52.216-7		Allowable cost and payment.
52.232-16		Disallowance of costs in progress payment requests.
52.242-1		Notice of intent to disallow costs.

Other KSA's

1. Accounting.

Other Policies and References (Annotate As Necessary):

UNALLOWABLE COSTS



UNALLOWABLE COSTS

1. Determine allowability of reported costs. • Obtain review by auditors (per Unit 39). • Prepare a position and supporting data on allowability for discussions with the contractor (per Unit 40). (In agencies where auditors are responsible for reviewing vouchers, the auditor may perform this step unilaterally with respect to vouchered costs.)	1. Correctly recognize costs on invoices that are probably unallowable.
2. Attempt to negotiate a satisfactory settlement through discussions with the contractor and coordinate with auditor (per Units 45 and 46). (In agencies where auditors are responsible for reviewing vouchers, the auditor may perform this step unilaterally.)	2. Reach no agreement that would result in paying any unallowable cost. Obtain any additional data from the contractor that may bear on the decision of allowability.
3. Prepare notification to the contractor. • If anticipatory (prior to receiving invoices or vouchers for incurred costs), prepare the "Notice of Intent to Disallow Costs." • If after receipt of a voucher, prepare a notice to suspend and/or disallow part or all of the incurred, invoiced costs. In some agencies, this step may be done independently by an auditor.	3. Correctly prepare "Notices of Intent to Disallow Costs" per FAR 42.801. Include: • A reference to the FAR clause at 52.242-1. • The contractor's name and the numbers of the affected contracts. • A description of the costs to be disallowed, including estimated dollar value by item and applicable time periods and reasons for the intended disallowance. • A description of potential impact on billing rates and forward pricing rate agreements. • Effective date of the notice and the date by which a written response must be received. • A list of recipients of copies of the notice. • A request that the contractor acknowledge receipt of the notice. Correctly determine whether a "Notice of contract costs suspended and/or disapproved" has been properly prepared (by the auditor, in DoD, or by the ACO).

UNALLOWABLE COSTS

4. Send notice to the contractor and obtain acknowledgment of receipt of notice.	4. Also send copies to: • All contracting officers cognizant of any segment of the contractor's organization. • The finance office, with instructions to pay only allowable items and amounts.
5. Respond to the contractor's rebuttal (if any) of the decision. • If the contractor disagrees in writing within 60 days to an anticipatory "Notice of Intent to Disallow Costs", issue a written decision to withdraw the notice, sustain the original decision, or allow part of the costs. • If the contractor disagrees with the notice to suspend or disallow payment of incurred, invoiced costs — handle per the Unit on Claims.	5. Make the decision after consulting the auditor. Keep the finance office abreast of any changes in the status of the disallowed or suspended costs.
6. Determine the penalty (if any) for submitting unallowable costs.	

UNALLOWABLE COSTS

UNIT 72 PAYMENT OF INDIRECT COSTS

September 1998

Duty	Adjust billing rates and establish final indirect cost rates.
Conditions	Given a cost reimbursement contract.
Overall Standard(s)	Authorize payment of the amount to which the contractor is entitled under the terms and conditions of the contract (not more; not less). Payment conforms to agency policies and the Prompt Payment Act.

UNIT 72 PAYMENT OF INDIRECT COSTS

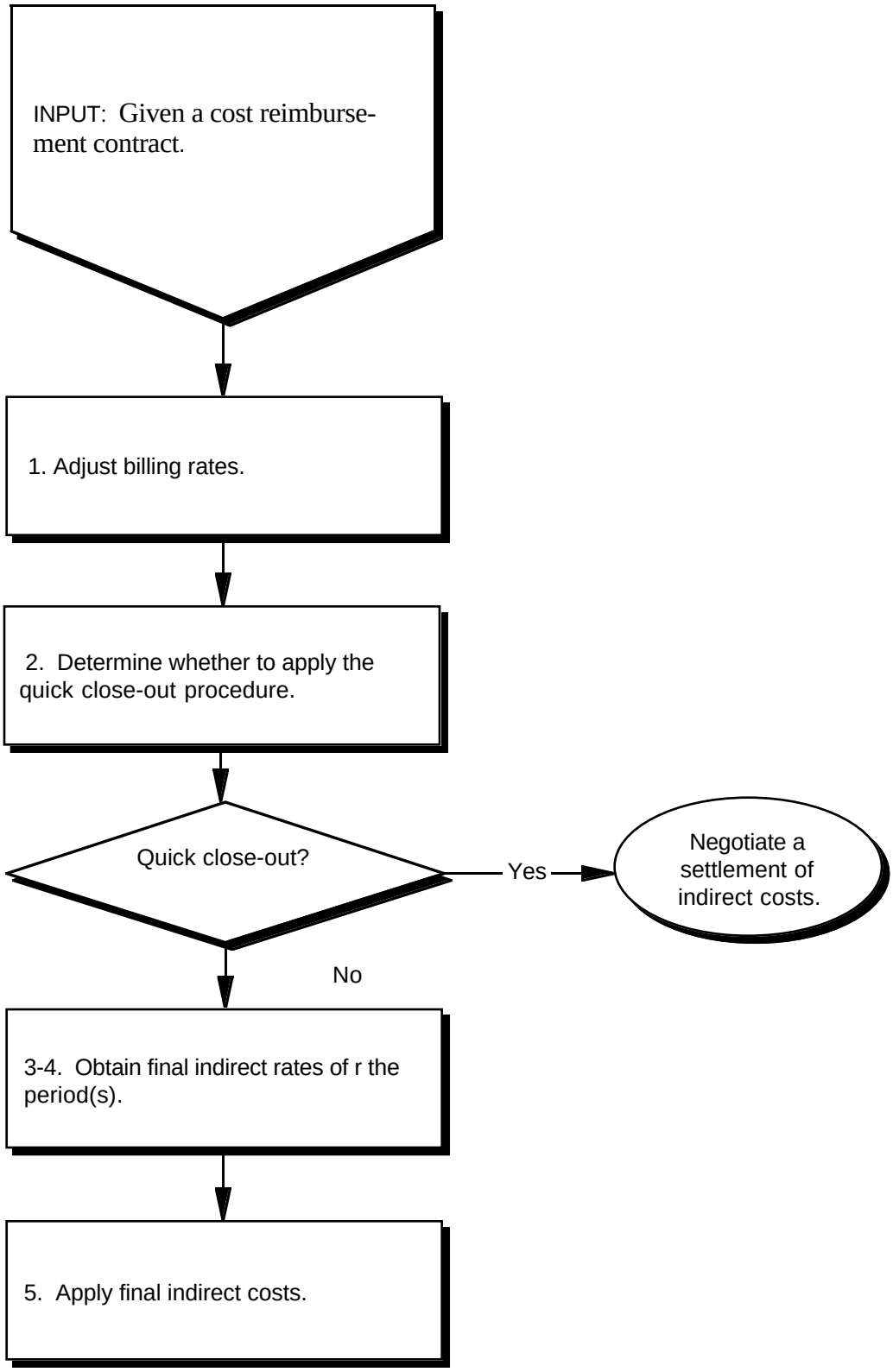
Policies

FAR	*Agency Suppl.*	*Subject*
42.7		Indirect cost rates.
52.216-15		Predetermined indirect cost rates (cost reimbursement R&D contracts with educational institutions).
52.216-16 and 216-17		Payment under fixed price incentive contracts.
52.216-26		Payments of allowable costs before the definitization of letter contracts.
52.232-1 thru 232-3.		Payment clauses.
52.242-3		Penalties for unallowable costs.

Other KSA's

Other Policies and References (Annotate As Necessary):

Payment Of Indirect Costs



UNIT 72 PAYMENT OF INDIRECT COSTS

Tasks	Related Standards
1. Adjust provisional billing rates.	1. Prospectively or retroactively revise billing rates to prevent substantial overpayment or under payment of indirect costs over the course of the contract.
2. Determine whether or not to apply the quick-close out procedure. Steps for quick closeouts: • Obtain the contractor's proposed rates and supporting data. • Prepare the Government 's position on the proposed rates (per Unit 40). • Negotiate (per Units 43, 45 & 46) and modify the contract.	2. Use the "quick close-out" procedure at FAR 42.708 to settle indirect costs for a specific contract in advance of a determination of final indirect cost rates, when: • The contract is physically complete, • The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant (per the criteria in 42.708(a)(2)), and • Agreement can be reached on a reasonable estimate of allocable dollars.
3. Identify the cognizant agency and official (either a contracting officer or auditor) responsible for establishing indirect cost rates for the business unit.	
4. Obtain from the cognizant agency the final indirect cost rates for the period or periods during which the contract was in effect.	
5. Apply the final indirect cost rates in establishing the final contract price.	

UNIT 73 LIMITATION OF COSTS

September 1998

Duty	Recommend the best course of action when notified of a potential cost overrun.
Conditions	Given (1) a Cost Reimbursement, Time and Materials, or Labor Hour contract, (2) a notice from the Contractor under FAR 52.232-7 or 52.232-20 regarding costs expected to be incurred, (3) progress reports, and (4) other data from performance monitoring per Unit 61.
Overall Standard(s)	In each case, select the course of action that best: • Minimizes risk to the Government of incomplete performance. • Obtains maximum performance within funds available to the program office. Correctly prepare the proper document to notify and instruct the contractor on the selected course of action.

UNIT 73 LIMITATION OF COSTS

Policies

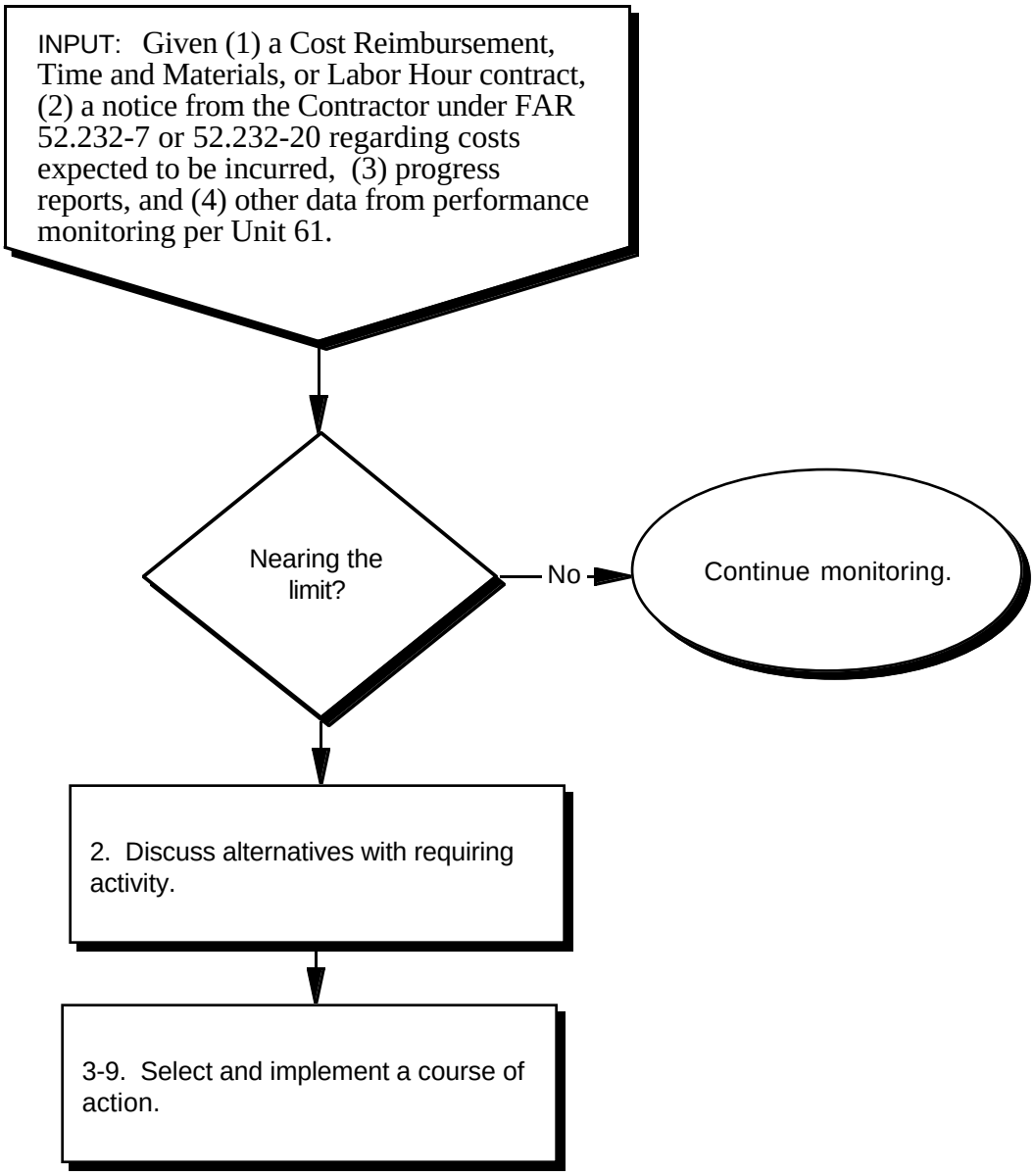
FAR	*Agency Suppl.*	*Subject*
32.732		Anti-deficiency policies.
32.734		Limitation of cost or funds.
32.735-2		Clauses.
52.232-7		Payments under Time-and-Materials and Labor-Hour contracts.
52.232-20		Limitation of cost.
52.232-22		Limitation of funds (incrementally funded cost reimbursement contracts.

Other KSA's

1. Knowledge of the Anti-Deficiency Act.

Other Policies and References (Annotate As Necessary):

LIMITATION OF COSTS



UNIT 73 LIMITATION OF COSTS

Tasks	Related Standards
1. Determine if the contractor is approaching either the (1) estimated cost specified in the Schedule, (2) limit of funds alloted or (3) the ceiling price (Time-and-Materials or Labor-Hour contract). • Notice from contractor. • Monitoring (per Unit 61).	1. Contractors may only exceed the limits set out in the contract at the risk of not being funded, according to the contract's terms.
2. Meet with representatives of the requiring activity and/or the contracting officer's technical representatives. • Advise the requiring activity of the alternative courses of action that can be taken by the contracting officer. • Obtain the requiring activity's best estimate of cost to complete and determine whether the requiring activity can provide sufficient funds to cover that cost. • Obtain the requiring activity's best estimate of time to complete. • Obtain the requiring activity's best estimate of minimum steps or tasks yet to be done. • Obtain the requiring activity's best estimate of what can be accomplished within current level of funding and whatever additional funds can be provided.	2. Promptly obtain funding and programming information pertinent to the contract's continuation. Sufficient information is obtained to select one of the course of action in task 3.
3. Select a course of action. Alternatives: a. Provide extra funds/time to complete the contract "as is." b. Downscope the statement of work to fit remaining funds. c. Stand firm (pending further factfinding). d. Terminate (last resort). e. Take no action, if the contractor is on schedule in terms of time and money. f. Deobligate and remove excess funds, if any. g.	

UNIT 73 LIMITATION OF COSTS

Tasks	Related Standards
4. Implement a decision to add funds and/or time to complete the contract "as is." If a cost reimbursement contract: • Meet with contractor to review the statement of work, verify the remaining tasks, and negotiate the contractor's proposal on cost and time to complete. • Establish the amount of additional funds required (per Unit 40) and new delivery date; obtain clearance to obligate additional funds from the financial management division. • Determine the consideration to the Government—ordinarily completion of the contract with no increase in fee. • Prepare and execute change to contract (per Unit 58).	
5. Implement a decision to downscope the statement of work to fit remaining funds. If a cost reimbursement contract: • Obtain contractor's proposal for adjustment of the fee. • Negotiate a new statement of work and fee (per Units 40, 43, 45, and 46). • Prepare and execute supplementary agreement (per Unit 58).	5. In cost reimbursement contracts, base the adjustment of fee on the percentage of work to be completed in relation to the total work called for in the contract before modification.
6. If the decision is to stand firm pending further factfinding, provide notice to the contractor. State in the notice that: • The Government is considering whether to allot additional funds or increase the estimated cost or ceiling price. • The contractor is entitled to stop work when the dollar limit has been reached. • Any work done beyond the dollar limit will be at the contractor's own risk.	
7. If the decision is to terminate the contract, terminate per Unit 83.	
8. If the decision is to take no action because the contractor appears to be on schedule in terms of time and money, record that decision for the file.	

UNIT 73 LIMITATION OF COSTS

Tasks	Related Standards
9. Implement a decision to deobligate and remove excess funds. If a cost reimbursement contract: • Informally notify the contractor of the Government's intent to remove excess funds and obtain feedback from the contractor. • Consult program office and prepare revised estimate of cost to complete and the amount of excess funds. • Issue a unilateral modification to deobligate and remove excess funds.	

UNIT 74 PRICE AND FEE ADJUSTMENTS

September 1998

Part A: Economic Price Adjustments

Duty	Adjust the price.
Conditions	Given a fixed price contract with economic price adjustment terms and conditions (e.g., FAR clauses 52.216-2 through 216-4).
Overall Standard(s)	Accurately apply the contractual formula for adjusting the price. Make adjustments based on verified data. The final price must not exceed any ceiling established in the contract.

Part B: Incentive Price Adjustments

Duty	Adjust billing prices and determine the total final price.
Conditions	Given a fixed price incentive contract (e.g., FAR clauses 52.216-16 and 52.216-17).
Overall Standard(s)	Accurately apply the contractual formula for adjusting billing prices and negotiating the total final price. The final price must not exceed the ceiling price established in the contract. Per FAR 42.7, consider established final indirect cost rates in preparing prenegotiation positions.

Part C: Award Fee Adjustments

Duty	Determine the amount of the award fee.
Conditions	Given a fixed price or cost reimbursement contract with award fee terms and conditions.
Overall Standard(s)	Correctly implement the contractual procedure for determining the fee. The fee must not exceed any ceiling established in the contract.

Part D: Incentive Fee Adjustments

Duty	Adjust the fee.
Conditions	Given a cost plus incentive fee contract (e.g., FAR clause 52.216-10).
Overall Standard(s)	Accurately apply the contractual formula for determining the fee. The final fee must not exceed or fall below limits established in the contract.

UNIT 74 PRICE AND FEE ADJUSTMENTS

September 1998

Part E: Price Redeterminations

Duty	Negotiate the price for each period.
Conditions	Given a fixed price redeterminable contract (e.g., FAR clauses 52.216-5 or 52.216-6).
Overall Standard(s)	Correctly implement the contractual procedure for negotiating prices.

UNIT 74 PRICE AND FEE ADJUSTMENTS

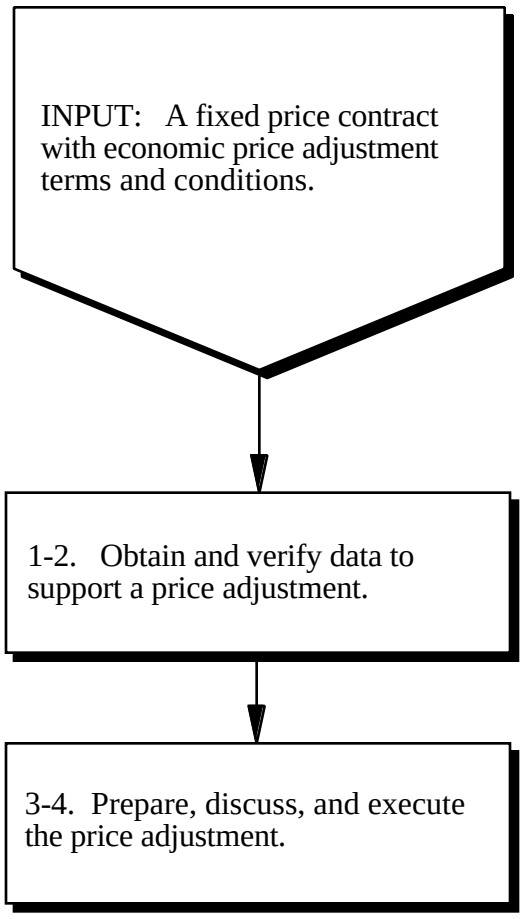
Policies

FAR	*Agency Suppl.*	*Subject*
16.203		Fixed-price contracts with economic price adjustment.
16.204		Fixed-price incentive contracts.
16.205		Fixed-price contracts with prospective price redetermination.
16.206		Fixed-ceiling-price contracts with retroactive price redetermination.
16.303-305		Cost sharing, cost plus award fee, and cost plus incentive fee contracts.
16.4		Incentive contracts.
42.703-1(c)(2)		Use of final indirect cost rates on negotiating the final price of fixed-price incentive and redeterminable contracts.
52.216-2 through 4		Economic price adjustments.
52.216-5 and 216-6		Price redeterminations.
52.216-10		Incentive fee adjustments.
52.216-16 and 216-17		Incentive price adjustments.

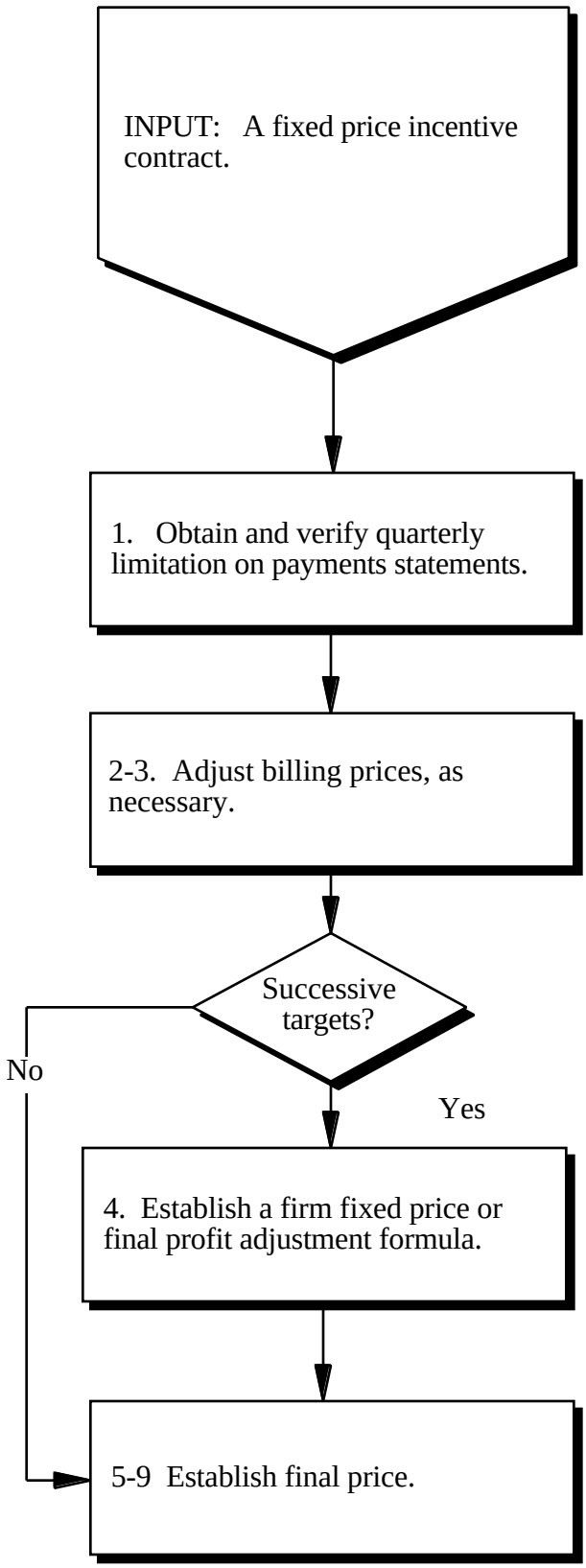
Other KSA's

Other Policies and References (Annotate As Necessary):

ECONOMIC PRICE ADJUSTMENTS



INCENTIVE PRICE ADJUSTMENTS



UNIT 74 PRICE AND FEE ADJUSTMENTS

Part A: Economic Price Adjustments

Tasks	Related Standards
1. Obtain data from the contractor. Depending on the clause, obtain data on: • The effective date and amounts of increases or decreases in applicable established prices (per 52.216-2 or 216-3), • Causes, effective dates, and amounts of increases or decreases in rates of pay for labor or units prices for material shown in the Schedule (per 52.216-4), or • Changes in cost indexes of labor or material.	A1. Obtain all data required under the contract clause as the basis for an economic price adjustment.
2. Verify data.	
3. Prepare and, where necessary, negotiate the price adjustment.	A3. Do not exceed any limits on the price adjustment in the contract clause.
4. Modify the contract per Unit 58.	

UNIT 74 PRICE AND FEE ADJUSTMENTS

Part B: Incentive Price Adjustments

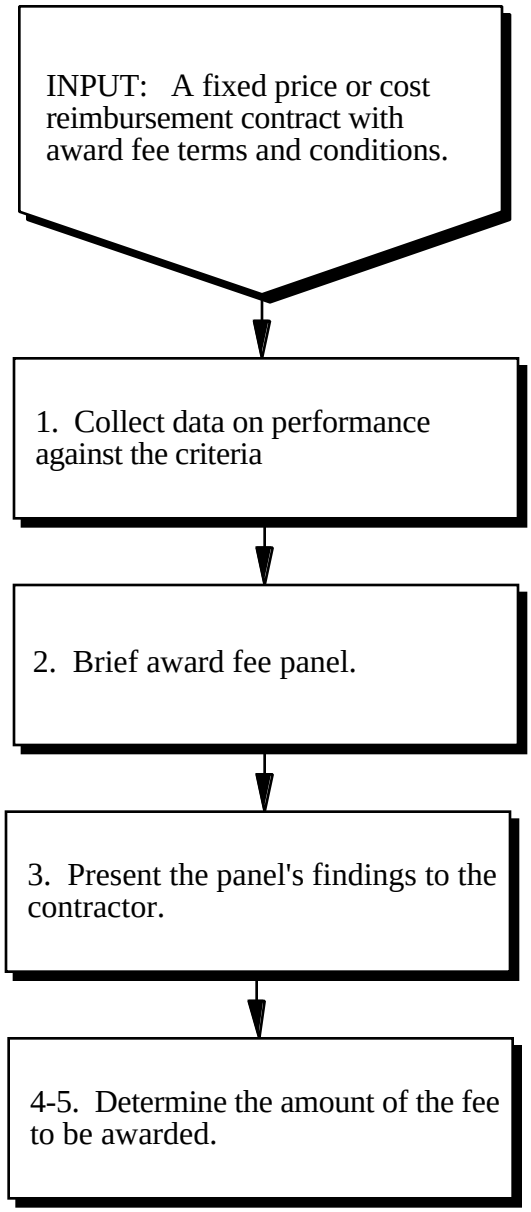
Tasks	Related Standards
1. Obtain and verify quarterly limitation on payments statements.	B1. Each statement should be: • On time. • Complete. • Consistent with other data available in the contracting office • Otherwise in compliance with paragraph (g) of the clause at 52.216-16 or (i) of the clause at 52.216-17.
2. Determine whether to adjust billing prices and, if so, the amount of any such adjustment.	B2. Reduce or increase the billing price commensurate when it appears that the then-current billing price will be substantially lower or higher than the target price. However, upward adjustments should not exceed the ceiling price. Determinations should comply with paragraph (f) of the clause at 52.216-16 and (h) of the clause at 52.216-17.
3. Negotiate adjustments in billing prices and modify the contract per Unit 58.	
4. If the contract provides for successive targets, establish either a firm fixed price or the final profit adjustment formula. • Obtain the data required under paragraph (c) of the clause at 52.216-17. • Develop and negotiate a total firm target cost. • Establish a position on the total firm target profit, based on the different (if any) between the total initial target cost and the total firm target cost. • Determine whether to establish a firm fixed price, based on the total firm target cost plus the total firm target profit. • Negotiate a firm fixed price. • If agreement on a firm fixed price cannot be reached or if a firm fixed price is not appropriate, establish a profit adjustment formula. • Modify the contract (per Unit 58) to reflect either the agreed upon firm fixed price or the profit adjustment formula.	B4. Negotiate either a firm fixed price or a final adjustment formula at the production point specified in the contract. Correctly implement paragraphs (c) and (d) of the clause at 52.216-17.

UNIT 74 PRICE AND FEE ADJUSTMENTS

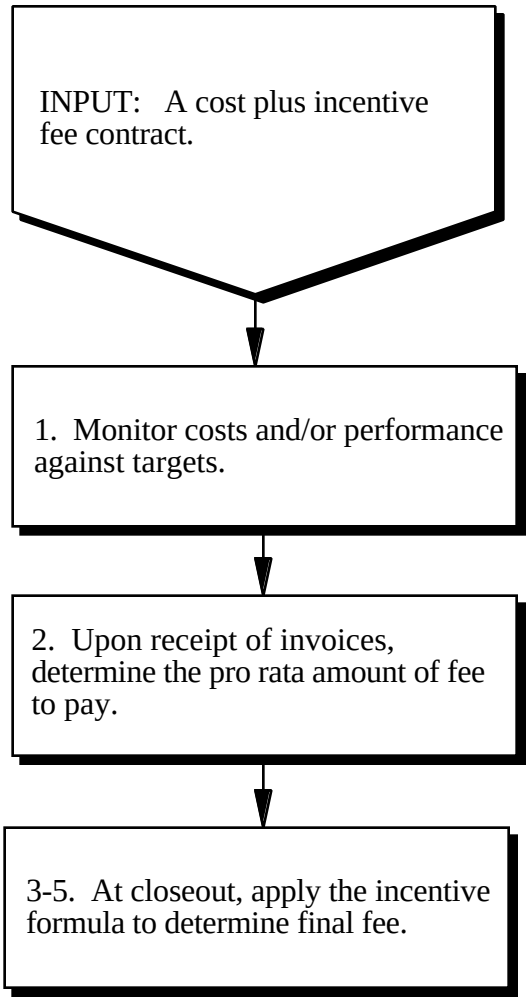
Part B: Incentive Price Adjustments

Tasks	Related Standards
5. Obtain and verify data from the contractor for establishing the final total price.	B5. The contractor's data submission should be: (FAR 15.403-5(b)(1) • On the correct form. • On time. • Complete. • Consistent with other data available in the contracting office • Otherwise in compliance with paragraph (c) of the clause at 52.216-16 or (e) of the clause at 52.216-17.
6. Adjust the total target cost or price. • Exclude any costs not allowed under the contract (per Unit 71) • Reflect any equitable adjustment in the contract price under any other clause of the contract. • Reflect increases or decreases in the contractor's tax liability under other clauses of the contract.	B6. Implement paragraphs (k), (l), and (n) of the clause at 52.216-16 and (m), (n) and (p) of the clause at 52.216-17.
7. Calculate the final total price.	B7. Correctly apply the contract's formula in paragraph (d) of the clause at 52.216-16 or 52.216-17. For a successive targets contract, the final price should not exceed the maximum ceiling price, except for any adjustment under other contract clauses provided for equitable adjustment or other revision of the contract price under stated circumstances.
8. Negotiate the final total price. Either: • Modify the contract per Unit 58, or, if an agreement cannot be reached, • Issue the contracting officer's final decision under the Disputes clause.	B8. Implement paragraphs (e) and (i) of the clause at 52.216-16 and (g) and (k) of the clause at 52.216-17.
9. Obtain the final invoice. • Per Unit 65, identify and apply any deductions or withholdings or additions, and process the final payment. • If the contractor has been overpaid, dun the contractor per Unit 75.	B9. Separately reimburse costs as prescribed in paragraph (m) of the clause at 52.216-16 or (o) of the clause at 52.216-17.

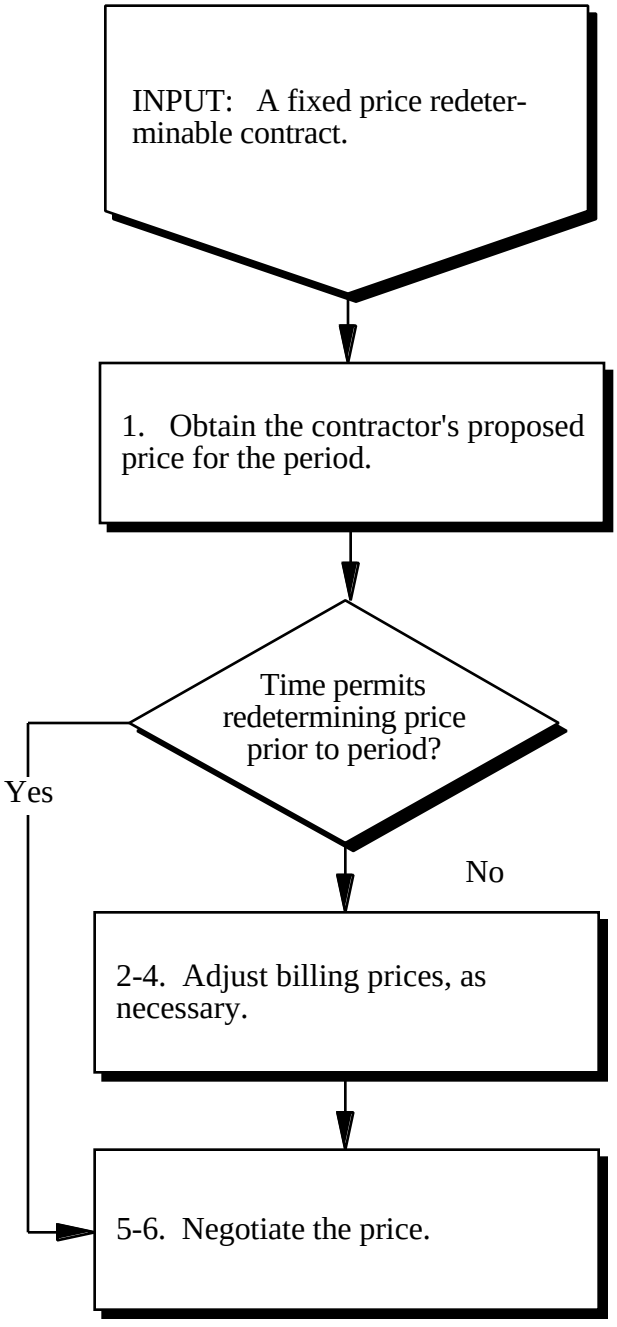
Award Fee Adjustments



Incentive Fee Adjustments



Price Redeterminations



UNIT 74 PRICE AND FEE ADJUSTMENTS

Part C: Award Fee Adjustments

Tasks	Related Standards
1. Collect data on the contractor's performance against each criterion for determining the award fee amount (per Unit 61).	
2. Brief the award fee panel. • Present the evaluation criteria and rating plan. • Provide the panel with any relevant data from performance monitoring. • Request the panel to apply the criteria, rate overall performance, and document their findings as prescribed in the clause and agency policies.	C2. Award fee panel should meet at the intervals stated in the contract. The panel's findings and recommendation should conform strictly to the evaluation criteria and rating plan.
3. Present the panel's findings to the contractor and request any feedback or rebuttal.	
4. Determine the amount of the award fee and add it either to the base fee or price.	C4. The amount of the award fee or price should fall within the range established in the contract.
5. Document the file.	

UNIT 74 PRICE AND FEE ADJUSTMENTS

Part D: Incentive Fee Adjustments

Tasks	Related Standards
1. Monitor the contractor's performance or cost against targets per Unit 61.	
2. Upon receipt of invoices, determine the pro rata amount of fee to pay.	D2. Generally prorate an amount for fee based on the "target fee" in the schedule. Exceptions: • Pay on the basis of a lower fee when monitoring per Unit 61 indicates that the contractor will not achieve the target(s). • Pay on the basis of a higher fee when monitoring clearly indicates that the Contractor will earn a fee significantly above the target fee. • After paying out 85% of the applicable fee, determine a retainage (if any)—not to exceed 15% of the fee or $100,000 (whichever is less).
3. At closeout, total the allowable costs for application of the incentive formula. When totaling "allowable costs" for the purposes of FAR 52.216.10: • Exclude all disallowed costs per Unit 71, and also • Exclude the allowable costs listed in FAR 52.216-10(e).	D3. Accurately calculate the "total allowable cost" for fee adjustment. Exclude costs arising from: • The causes listed in the Excusable Delay clause at 52.249-14, to the extent that they are beyond the control and without the fault or negligence of the Contractor or any subcontractor. • Implementation of statutes, court decisions, written rulings, or regulations that raise the contractor's taxes, if effected after negotiation of the target cost. • The contractor's involvement in litigation as required by the Contracting Officer pursuant to a contract clause (direct costs only). • Purchase and maintenance of additional insurance not in the target cost and required by the Contracting Officer. • Claims for reimbursement for liabilities to third persons pursuant to the Insurance—Liability to Third Persons's clause. • Any claim, loss, or damage resulting from a risk for which the Contractor has been relieved of liability by the Government Property clause. • Any claim, loss, or damage resulting from a risk defined in the contract as unusually hazardous or as a nuclear risk and against which the Government has expressly agreed to indemnify the Contractor. • Any other clause in the contract that specifically excludes an allowable cost from the "total allowable cost" for fee adjustment.

UNIT 74 PRICE AND FEE ADJUSTMENTS

Part D: Incentive Fee Adjustments

Tasks	Related Standards
4. Calculate the fee payable.	D4. Accurately apply the formula from FAR 52.216-10(e), as modified per 52.216-10(d).
5. Modify the contract per Unit 58.	

UNIT 74 PRICE AND FEE ADJUSTMENTS

Part E: Price Redeterminations

Tasks	Related Standards
1. Obtain the contractor's proposed price and supporting data for the period (i.e., the next period, if prospective, or past period, if retroactive).	E1. The contractor's data submission should be: (FAR 15.403-5(b)(1) • On the correct format. • On time (if for a retroactive redetermination, suspends payments until data are furnished). • Complete. • Consistent with other data available in the contracting office • Otherwise in compliance with paragraph (d) of the clause at 52.216-5 or (c) of 216-6.
2. Pending redetermination of the price, obtain quarterly limitation on payments statements from the contractor.	E2. Each statement should be: • On time. • Complete. • Consistent with other data available in the contracting office • Otherwise in compliance with paragraph (h) of FAR 52.216-5 or (g) of 216-6.
3. Pending the redetermination of price, determine whether to adjust billing prices and, if so, the amount of any such adjustment.	
4. Negotiate adjustments in billing prices and modify the contract per Unit 58.	E4. Reduce or increase the billing price commensurately when it appears that the then-current billing price will be substantially lower or higher than the redetermined price. Determinations should comply with paragraph (g) of the clause at 52.216-5 and (f) of 216-6.
5. Establish the Government's position on the price for the period (per Units 38, 39, and 40).	
6. Negotiate the price for the period (per Units 45 and 46). Either: • Modify the contract per Unit 58, or, if an agreement cannot be reached, • Issue the contracting officer's final decision under the Disputes clause.	E6. Negotiations and modification or the contracting officer's final decision should conform to paragraphs (e) and (j) of the clause at 52.216-5 and (d) and (i) of the clause at 52.216-6.

UNIT 74 PRICE AND FEE ADJUSTMENTS

Part E: Price Redeterminations

Tasks	Related Standards

UNIT 75 COLLECTING CONTRACTOR DEBTS

September 1998

Duty	Determine and recover debts from contractors.
Conditions	Given the terms of a contract and set of circumstances that may require a collection of debt from the contractor.
Overall Standard(s)	Recover money due the Government with minimum delay using available contractual and legal means. Avoid actual monetary loss to Government.

UNIT 75 COLLECTING CONTRACTOR DEBTS

Policies

FAR	*Agency Suppl.*	*Subject*
32.6		Contract debts.
52.232-17		Interest.

Other KSA's

1. Business Finance, Organization & Management, Commercial Law, and Quantitative Analysis.

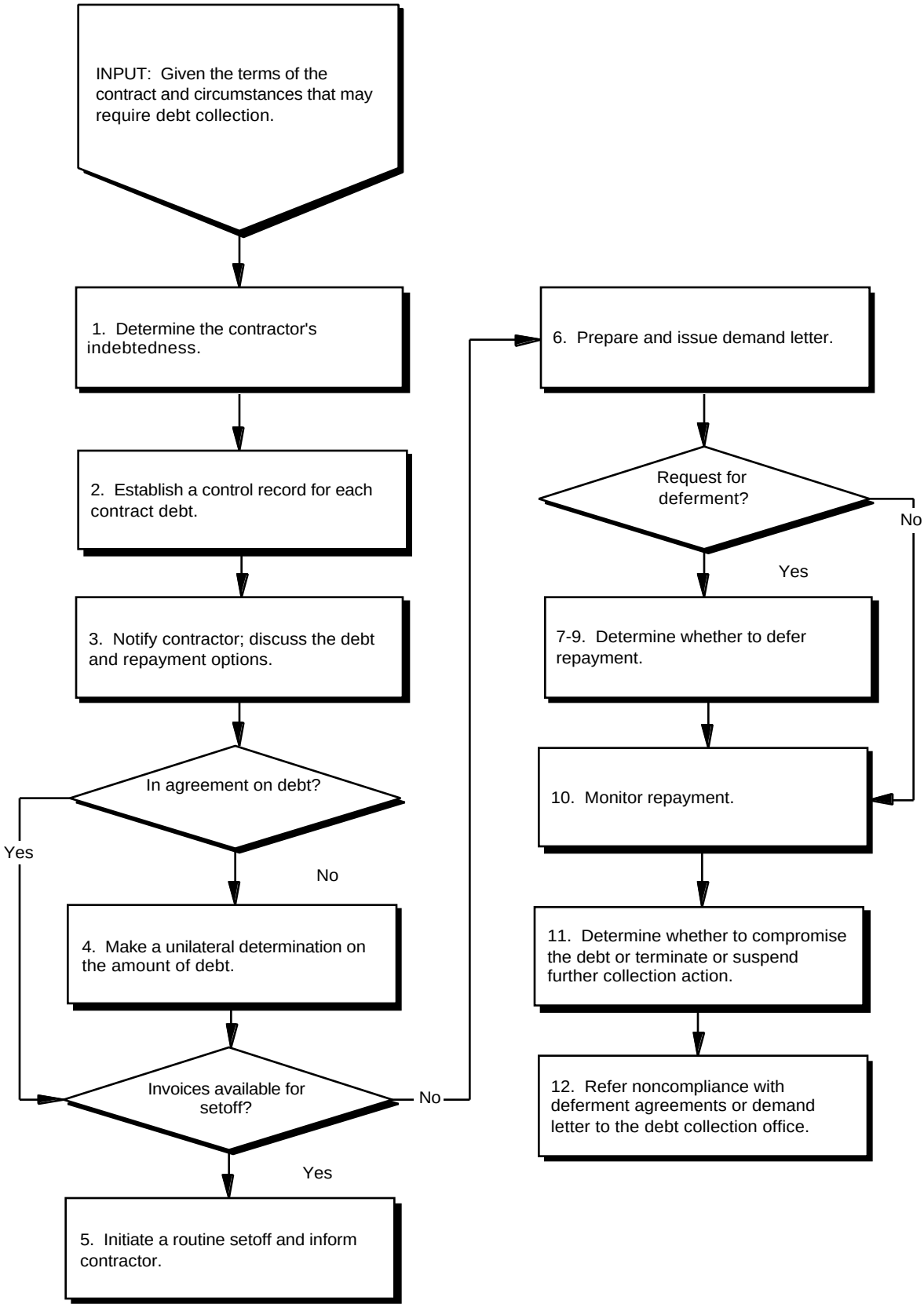
2. Knowledge of typical reasons for contractor indebtedness.

3. Knowledge of options or methods of collection and potential impact on contractor.

4. Skill at calculating contractor debts, including interest.

Other Policies and References (Annotate As Necessary):

COLLECTING CONTRACTOR DEBTS



UNIT 75 COLLECTING CONTRACTOR DEBTS

Tasks	Related Standards
1. Determine contractor's indebtedness. Typical reasons for indebtedness: • Damages or excess costs related to defaults in performance (per Unit 83). • Breach of contract obligations concerning progress payments, advance payments, or Government furnished property or material (per Units 70 and 79). • Government expense of correcting defects (per Unit 61). • Overpayments related to errors in quantities, billings or quality deficiencies (per Units 61 and 67). • Retroactive price reductions resulting from contract terms for price redetermination or for determination of prices under incentive type contracts. • Overpayments disclosed by quarterly statements required under price redetermination or incentive contracts. • Delinquency in contractor payments due under agreements or arrangements for deferral or postponement. • Notification by another Government agency (if for tax debts, IRS furnishes instructions on debt collection).	1. Ascertain the correct amount of debt. Fairly consider both the Government's claim and any contract claims by the contractor against the Government.
2. Establish a control record for each contract debt.	2. Include: • Name and address of the contractor. • The contract number, if any. • A description of the debt. • Amount of debt and the appropriation to be credited. • Date the debt was determined. • Dates of demand for payment. • Amounts and dates of collection. • Date of any appeal filed or action brought in the Court of Claims under the Disputes clause. • Status of collections (e.g., actions reported to the disbursing officer, funds requested to be withheld by the disbursing officer or other offices; deferment or installment payment arrangements and requests reviewed; supplemental information requested to support deferment requests; and actions transferred to the contract financing office).

Tasks	Related Standards
3. Notify contractor, negotiate the amount of debt, and discuss repayment options. • Schedule, develop strategy, and conduct negotiations (per Units 45 and 46). • Obtain the contractor's signature on an interim memorandum evidencing a negotiated price agreement involving refund. • Prepare a supplement agreement (per Unit 58) which: - Establishes the amount of debt. - Establishes the method of payment and payment terms (cash payment, setoff, or deferment).	3. Provide the contractor with an opportunity to discuss validity, amount, and repayment of debt. At the contractor's request, recognize tax credits under section 1481 of the Internal Revenue Code in meeting the debt. If payment is to be deferred, the contract modification incorporates a deferment agreement per step 7.
4. Make a unilateral determination on the amount of debt under FAR 52.223-1, Disputes.	4. Make a unilateral determination if the contractor is delinquent in: • Furnishing pertinent information. • Negotiating expeditiously. • Entering into an agreement on a fair and reasonable price revision. • Signing the interim memorandum. • Executing the supplemental agreement. The unilateral determination of amount should be: • Proper based on the merits of the case. • Not in excess of the amount that would have been considered acceptable in a negotiated agreement. • Consistent with the contract's terms.
5. Initiate a routine setoff and provide the contractor with an explanation (per Unit 67).	5. Set off if contractor invoices are on hand for payment

UNIT 75 COLLECTING CONTRACTOR DEBTS

Tasks	Related Standards
6. Prepare and issue demand letter. Include: • Description of debt. • Amount of debt. • Notification that any amounts not paid within 30 days from the date of the demand will bear interest form the date of the demand (or any earlier date specified in the contract) at a rate established by the Secretary of the Treasury. • Notification that the contractor may submit a proposal for deferment of collection if immediate payment is not practicable or if the amount is disputed. • Identification of responsible official designated for determining the amount of the debt and for its collection. • Deadline and other instructions on submitting payment. • Describe future efforts to collect debt (e.g., withholding and offset on future invoices). • Appeal rights.	6. Issue a letter of demand when set offs are not possible. Issue the letter as soon as the responsible official has computed the amount of refund due. The letter should be complete and factually accurate. Do not issue a demand letter prior to the decision in step 4. In case of a debt arising from a price reduction for defective pricing, interest runs from the date of overpayment by the Government until repayment by the contractor at an "underpayment" rate established by the Secretary of the Treasury.
7. Obtain the contractor's written request for deferment of payment. • If contractor has appealed the debt under Disputes Act, request for deferment may be limited to an explanation of contractor's financial condition. • If no appeal under the Disputes Act, advise the contractor to submit the following: - Financial condition. - Contract backlog. - Project cash receipts and requirements. - Feasibility of immediate payment. - Probable effect on operations of immediate payment in full. • If information is not adequate, request contractor to furnish the needed information	7. Refer the deferment request to the responsible official (FAR 32.601)
8. Prepare recommendation on deferment: • Determine impact on contractor of requiring immediate payment. • Determine impact on contract performance. • Determine impact of reprocuring if contract performance would be jeopardized, in terms of cost and lead-times.	8. Grant deferments only: • To small businesses and financially weak firms (based on a balance of the need for Government security against loss and undue hardship on the contractor), or • For amounts in dispute. Weigh the benefit of demanding immediate repayment against impact on contract performance and cost. The decision is to be made by the responsible official.

Tasks	Related Standards
9. Prepare the deferment agreement. • Description of the debt. • Date of first demand for payment. • Notice of an interest charge. • Identification of the office to which debt payments are to be sent. • Requirement for the contractor to submit financial information requested by the Government and for reasonable access to the contractor's records and property by Government representatives. • Provision for the Government to terminate the deferment agreement and accelerate the maturity of the debt if the contractor defaults or if bankruptcy or insolvency proceedings are instituted by or against the contractor. • Any necessary protective requirements (e.g., collateral, subordinations or standbys of indebtedness, special bank accounts, etc.). • When a contractor appeal of the debt determination is pending, a requirement that the contractor diligently prosecute the appeal and pay the debt in full when the appeal is decided or the parties reach agreement. • When the contractor is not planning to appeal the debt or file an action under the Disputes clause, a specific schedule or payment plan, including - Permission for the Government to periodically review the contractor's financial condition and require prepayment if it improves. - Requirements for stated or measurable prepayments upon occurrence of specific events or contingencies that improve the contractor's ability to pay. • If desired by the contractor, provision for the right to make prepayments without prejudice, for refund of overpayments, and for the crediting of interest.	9. Deferment agreement should conform to FAR 32.613.
10. Monitor contractor compliance with the agreement for repaying the debt or demand letter; identify and notify the contractor of any interest owed the Government.	10. Determine interest as provided in FAR 32.614.
11. Determine whether to compromise the debt or terminate or suspend further collection action.	11. Compromise the debt when the amount is under $100,000, excluding interest, and further collection is not practicable or would cost more than the amount of recovery.
12. Refer noncompliance with deferment agreements or demand letter to the debt collection office.	

UNIT 75 COLLECTING CONTRACTOR DEBTS

Tasks	Related Standards

UNIT 76 ACCOUNTING AND ESTIMATING SYSTEMS

September 1998

Part A: Accounting Systems

Duty	Determine the adequacy of the firm's accounting system.
Conditions	Given a contract that obligates the Government to reimburse a contractor's incurred costs (e.g., cost reimbursable contracts, redeterminable contracts, fixed price incentive contracts, Time-And-Materials contract, or fixed price contracts which provide for progress payments based on costs).
Overall Standard(s)	Do not award a cost reimbursement, fixed price incentive, or redeterminable contract unless the contractor's accounting system can accurately identify, segregate, and track the costs incurred against the contract. After award, do not reimburse costs (or provide progress payments based on cost) unless the contractor's accounting system can accurately identify, segregate, and track costs incurred against the contract.

Part B: Cost Estimating Systems

Duty	Determine the adequacy of the firm's estimating system.
Conditions	Given a firm which regularly submits cost or pricing data as the basis for contract awards or modifications.
Overall Standard(s)	When preparing prenegotiation positions on elements of cost (per Unit 40), identify and account for any significant deficiencies in the firm's estimating system.

Certification for Part C: Financial Condition

Duty	Monitor and periodically evaluate the financial condition of the firm.
Conditions	Given a firm to which the Government has awarded sizeable long-term contracts (especially cost reimbursement contracts or contracts for which the Government has provided progress payments, advance payments, or guaranteed loans).
Overall Standard(s)	Protect the Government's interests if the firm's financial condition has changed materially since the agreement on price and related terms and conditions.

UNIT 76 ACCOUNTING & ESTIMATING SYSTEMS

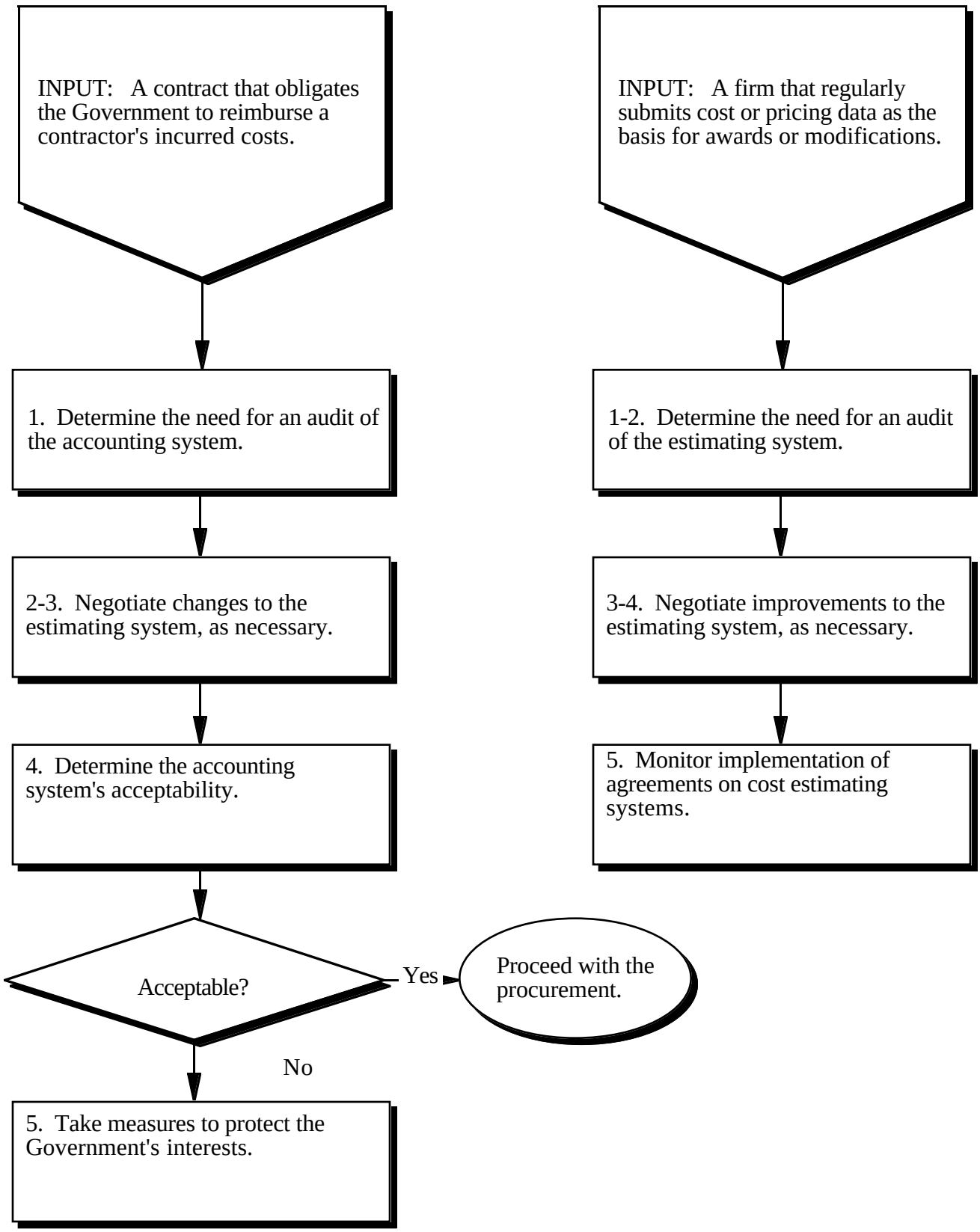
Policies

FAR	*Agency Suppl.*	*Subject*
9.105-1		Preaward surveys of accounting systems.
15.404-2		Field pricing reports.
15.407-5		Estimating system reviews.
16.205-3(b) 16.206-3(b) 16.301-3(a) 16.403-1(c) 16.403-2(c)		Contract types that can be used only after verifying the acceptability of the contractor's accounting system.
42.9		Bankruptcy.
52.214-26		Audit—Sealed Bidding (e.g., with respect to modifications).
52.215-2		Audit—Negotiations.
52.232-16		Requirement to maintain an accounting system and controls adequate for proper administration of progress payments.
52.242-13		Bankruptcy.

Other KSA's

1. Accounting and Business Finance (e.g., of tools available to monitor contractor's financial condition).

Other Policies and References (Annotate As Necessary):


Accounting Systems
Estimating Systems
INPUT: A contract that obligates the Government to reimburse a contractor's incurred costs.
INPUT: A firm that regularly submits cost or pricing data as the basis for awards or modifications.
1. Determine the need for an audit of the accounting system.
1-2. Determine the need for an audit of the estimating system.
2-3. Negotiate changes to the estimating system, as necessary.
3-4. Negotiate improvements to the estimating system, as necessary.
4. Determine the accounting system's acceptability.
5. Monitor implementation of agreements on cost estimating systems.
Acceptable?
Yes
Proceed with the procurement.
No
5. Take measures to protect the Government's interests.

UNIT 76 ACCOUNTING & ESTIMATING SYSTEMS

Part A: Accounting Systems

Tasks	Related Standards
1. Determine the need for an accounting system review. (Note—ordinarily as part of a preaward survey, audit, and/or field pricing report).	A1. Request the review per Unit 39. Obtain an accounting system audit before executing cost reimbursement, fixed price incentive, or fixed price redeterminable contracts. Also require an audit before initiating progress payments as prescribed in Unit 70.
2. Review the auditor's report on the contractor's accounting system (per Unit 39) and prepare an initial position on adequacy.	
3. Brief the contractor on the auditor's findings and recommendations. If necessary, request the contractor to amend deficiencies within specified time period. • Obtain additional facts and position of the contractor. • Reach agreement with contractor on resolution of deficiencies (if possible).	A3. Identify and accurately represent all deficiencies.
4. Determine acceptability of the contractor's accounting system.	
5. Take measures to protect the government's interest when accounting systems are inadequate.	A5. If the ability to accumulate costs is required, do not award until the contractor agrees to remedy any deficiencies. Select another offeror in the competitive range if the offeror in line for award is not willing or able to resolve the deficiencies prior to contract performance. If the determination of unacceptability is after award: • Withhold payment (per Unit 65), or • If making progress payments under FAR 52.232-16, suspend payment (per Unit 70).

UNIT 76 ACCOUNTING & ESTIMATING SYSTEMS

Part B: Estimating Systems

Tasks	Related Standards
1. Identify potential problems in an offeror's cost estimating policies or practices.	B1. Correctly recognize indicators of problems with the firm's estimating system, given: • Cost or pricing data submitted by the firm, and/or • Data on costs incurred by the contractor under previous contracts.
2. Determine need for an audit of a contractor's cost estimating system.	B2. Request an audit per Unit 39 when the Government is likely to award a number of contracts to the firm in the future and: • You have identified indicators of serious problems, and/or • A general estimating system review might reduce the scope of individual proposal reviews and expedite the negotiation process.
3. Review the auditor's findings and recommendations and prepare initial position for discussions with the contractor (per Units 39 and 45).	
4. Conduct discussions with the contractor on needed improvements in cost estimating practices (per Units 45 and 46).	B4. Consider significant deficiencies not corrected by the contractor in subsequent proposal analyses and negotiations, as prescribed at FAR 15.407-5(b).
5. Monitor the contractor's implementation of agreements on cost estimating practices (per Unit 61).	

UNIT 76 ACCOUNTING & ESTIMATING SYSTEMS

Part C: Financial Condition

Tasks	Related Standards
1. Monitor the contractor's financial condition (per Unit 61).	
2. Protect the Government's interests if a lien is placed against a contractor's inventory (may need a Subordination Agreement).	
3. Protect the Government's interests if the contractor is facing bankruptcy.	C1. When provided notice of bankruptcy by a contractor per the clause at FAR 52.242-13: • Notify legal counsel and other interested parties. • Determine the amount of any potential claim against the contractor (considering all contracts not yet closed out). • Furnish pertinent data to the Government's legal counsel. • Take all other actions necessary to protect the Government's financial interests and safeguard Government property.

UNIT 77 COST ACCOUNTING STANDARDS

September 1998

Part A: Determining Applicability

Duties	1. Determine whether a proposed contract is exempt from the application of Cost Accounting Standard (CAS)-related provisions and clauses. 2. Select CAS-related provisions and clauses for the solicitation/contract.
Conditions	Given a purchase request, RFP, and the offeror in line for award.
Overall Standard(s)	Correctly determines whether or not the proposed contract is exempt and selects the applicable provisions and clauses.

Part B: Reviewing Disclosure Statements

Duties	1. Determine (a) if the Disclosure Statement (DS) is adequate and (b) if the accounting practices are in compliance with applicable CAS standards. 2. Request cost impact proposals and negotiate equitable adjustments.
Conditions	Given a Disclosure Statement and audit findings.
Overall Standard(s)	Obtain CAS Disclosure Statements when required. Disclosure Statements, after any corrections, accurately describe the contractor's accounting system. The contractor's accounting system, after negotiations, complies with CAS. Cost adjustments are fair and reasonable.

UNIT 77 COST ACCOUNTING STANDARDS

Policies

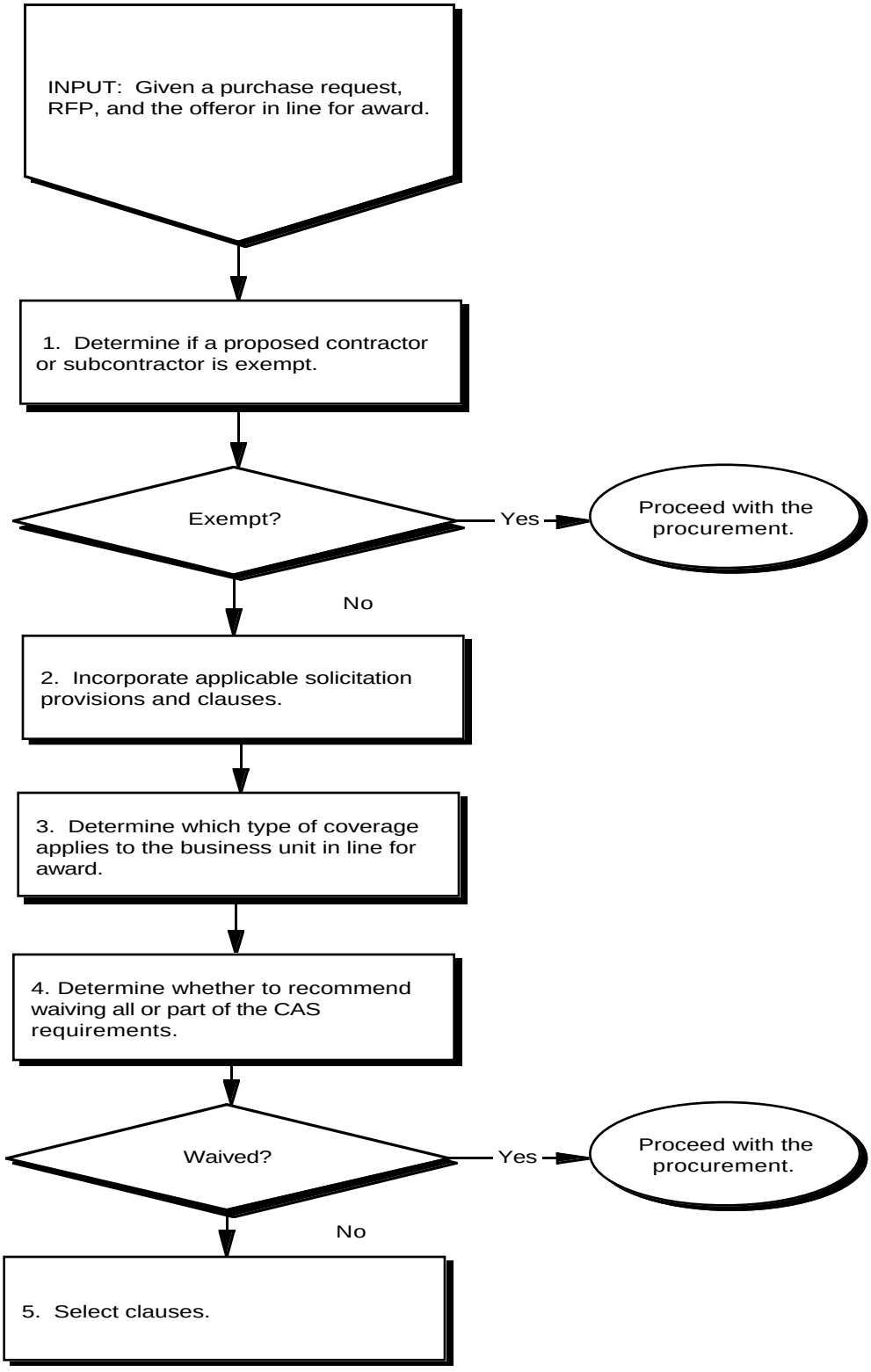
FAR	*Agency Suppl.*	*Subject*
12.214		CAS applicability to fixed-price with economic price adjustment contracts and subcontracts for commercial items when the price adjustment is based on actual costs incurred.
30		Cost Accounting Standards.
52.230-1 through 6		CAS-related clauses and provisions.

Other KSA's

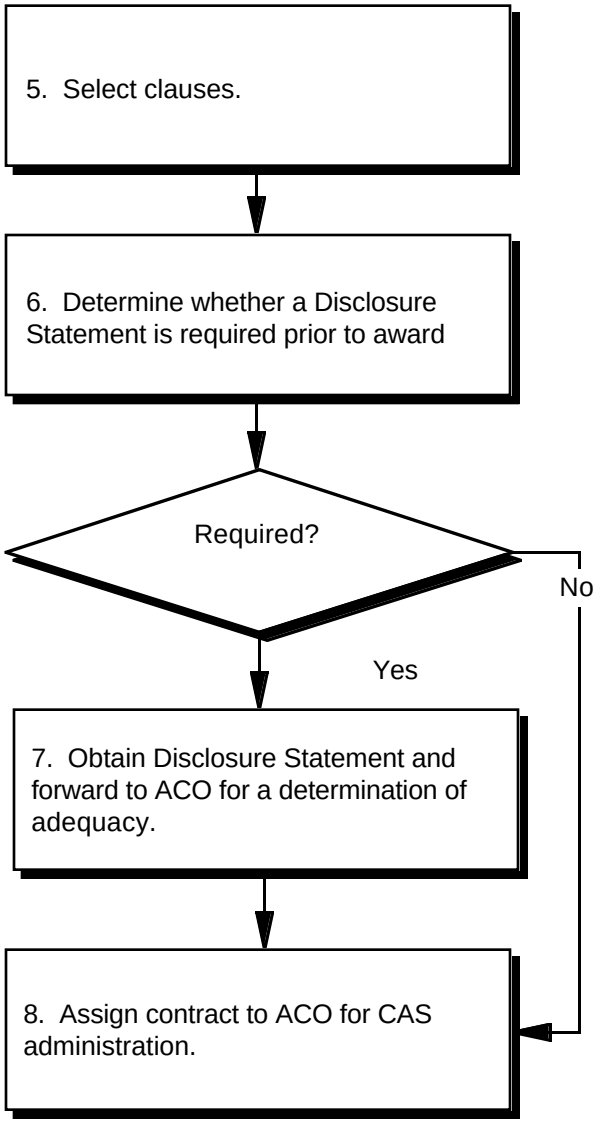
1. Accounting.

Other Policies and References (Annotate As Necessary):

Determining Applicability



Determining Applicability



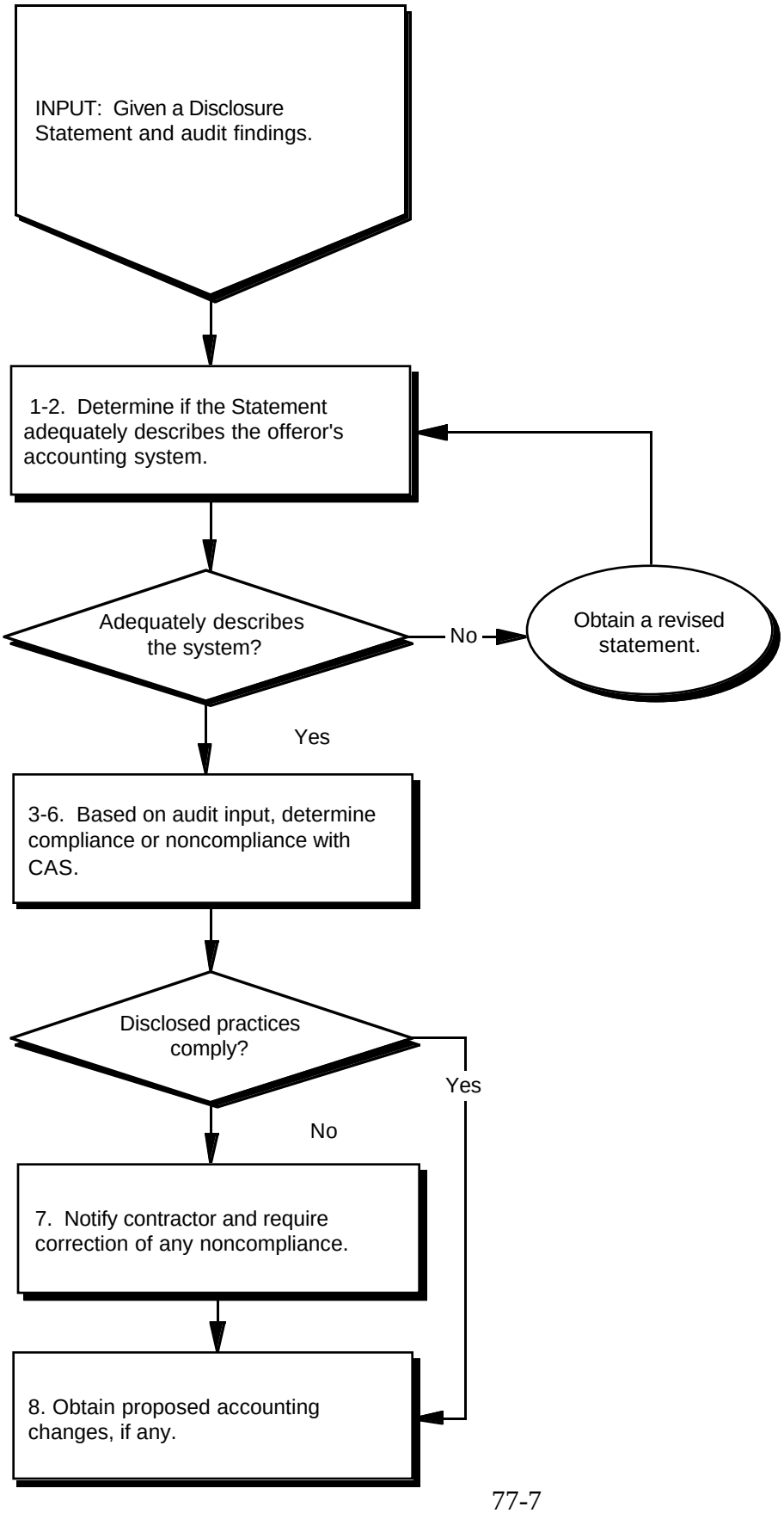
UNIT 77 COST ACCOUNTING STANDARDS

Part A: Determining Applicability

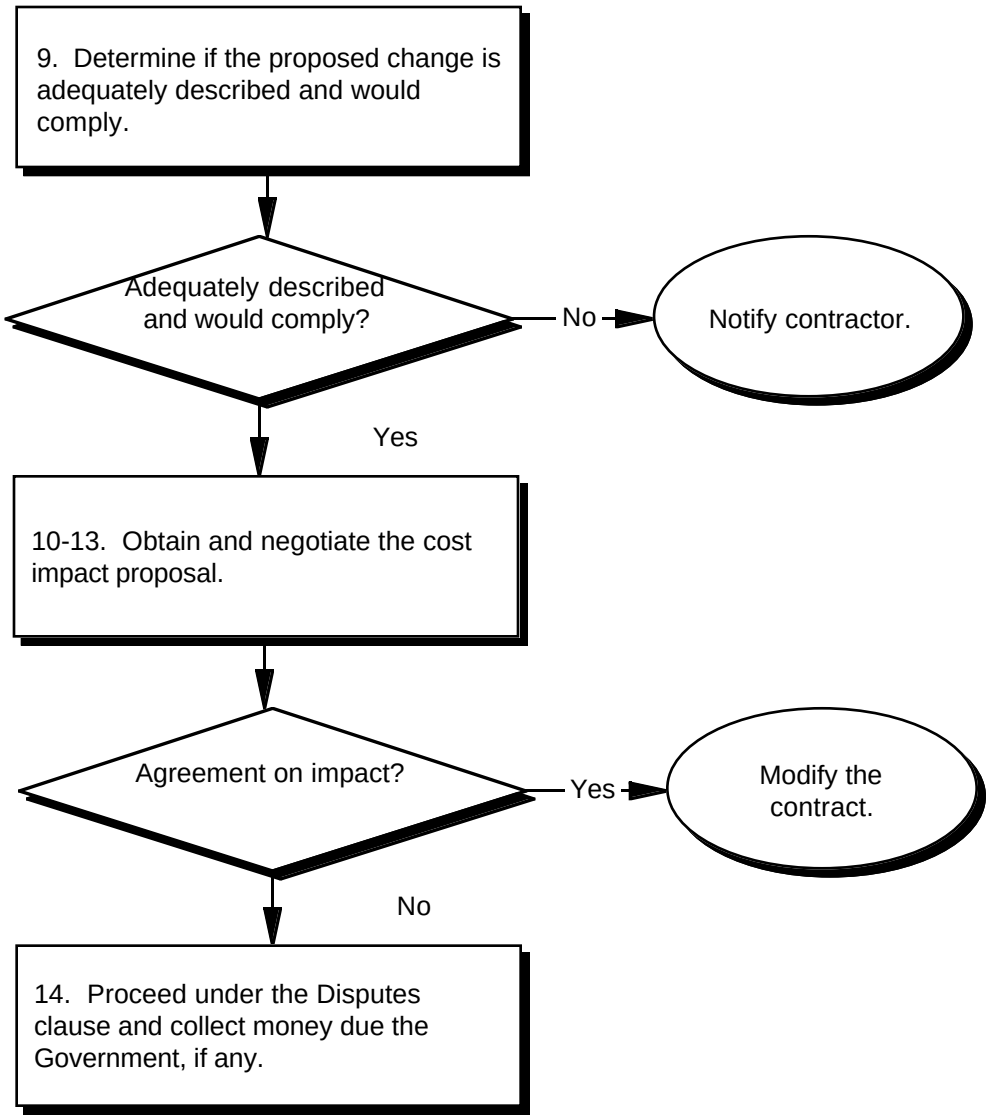
Tasks	Related Standards
1. Determine if a proposed contract or subcontract is exempt from CAS coverage.	A1. Conform to 48 CFR 9903.201-1 (see Appendix I to this Unit).
2. Incorporate solicitation provisions and clauses.	
3. Determine which type of coverage applies to the prime contract and each subcontract. Alternatives: • Full coverage. • Modified coverage (e.g., compliance required only with Standard 401 (Consistency In Estimating, Accumulating, and Reporting); Standard 402 (Consistency In Allocating Costs Incurred For The Same Purpose); and Standard 406 (Cost Accounting Standards — Cost Accounting Period).	A3. Full coverage applies if any of the following are true: • The award will be $25 million or more, OR • The.award exceeds $500,000 but the offeror certifies that it is eligible for modified coverage AND elects to use modified coverage. Note that a firm is NOT eligible if any of the following are true. • The business unit received net awards totaling $25 million or more in CAS-covered contracts and subcontracts during its preceding accounting period — including at least one exceeding $1 million. • The business unit has received a single award of $25 million or more during the current period. Require the same coverage of a subcontract that would be applied to a prime contract awarded to the same business unit.
4. Determine whether to waive all or part of the requirements of the CAS clauses.	A4. Request waiving the requirement only when it would be impractical to obtain the requirement from any other source. The waiver request should conform to the requirements of FAR 30.201-5 and be addressed to the proper official.
5. When preparing the award, select and incorporate the applicable clauses into contracts subject to CAS.	A5. Selection of clauses conforms to the requirements of FAR 30.201-3 and 201-4. Obtain any necessary certifications and disclosure statements before award.

Tasks	Related Standards
6. Determine whether a Disclosure Statement is required prior to award.	A6. Obtain a disclosure statement under the conditions described in 48 CFR 9903.202. Disclosure statements must comply with the requirements of FAR 9903.202. Waive the requirement, with approval of the agency head, when submission of the Statement is not practical, as provided in 9903.202.
7. Obtain written determination by the cognizant ACO that the Disclosure Statement, if required, is adequate.	A7. Do not award prior to receipt of an adequacy determination unless necessary to protect the Government's interest (in which case, a formal waiver is made and the determination is required as soon as possible after award).
8. Assign contract to the ACO for CAS administration	

Reviewing Disclosure Statements



Reviewing Disclosure Statements



UNIT 77 COST ACCOUNTING STANDARDS

Part B: Reviewing Disclosure Statements

Tasks	Related Standards
1. Obtain review by an auditor.	
2. Determine if the Statement adequately describes the offeror's cost accounting practices. • If not adequate, request a revised statement. • If adequate, issue notice of adequacy to the firm and provide copies of the notice to the auditor and contracting officer.	B2. Correctly identify every area of inadequacy and provides a valid, documented rationale for each such area. Provide the notification of adequacy or inadequacy within 30 days after receipt of the Disclosure Statement by the ACO. In the notice of adequacy, state that a disclosed practice shall not, by virtue of such disclosure, be considered an approved practice of pricing proposals or accumulating and reporting contract performance cost data.
3. Obtain auditor's findings with respect to whether the disclosed practices comply with FAR Part 31 and CAS.	
4. Based on the auditor's findings, make an initial finding of compliance or noncompliance.	B4. Advise the auditor of the finding.
5. Issue notice of an initial finding of noncompliance to the contractor.	B5. Issue the notice within 15 days of the receipt of a report of alleged noncompliance from the auditor. Give the contractor 30 days to reply.
6. Based on the contractor's response, make a determination of compliance or noncompliance.	
7. Notify the contractor of the determination and require the contractor to correct any noncompliance.	
8. Obtain a complete description of proposed accounting changes and the general dollar magnitude of each change on all CAS-covered contracts and subcontracts. Obtain such descriptions when: • A determination of noncompliance has been made. • An offeror has stated that award of the contract would require a change to established cost accounting practices affecting existing contracts and subcontracts. • The contractor has submitted voluntary changes to the Disclosure Statement or cost accounting practices.	B8. Correctly identify changes that are considered "changes to accounting practices" under 48 CFR 9903.302. Consider and negotiate "voluntary changes" as provided under FAR 52.230-3(a)(3).
9. Determine if the proposed accounting change is adequately disclosed and in compliance.	B9. Determinations conform to 48 CFR 9904 (Cost Accounting Standards).

UNIT 77 COST ACCOUNTING STANDARDS

Part B: Reviewing Disclosure Statements

Tasks	Related Standards
10. Request or obtain a cost impact proposal from the contractor.	B10. Make such requests when: • A proposed accounting change is adequate and in compliance. • Award is made on or after the effective date of a new or modified standard. Only require a cost impact proposal when amounts involved are material (as defined in FAR App. B, ¶9903.305). In cases of noncompliance or if the contractor fails to submit a cost impact proposal, withhold an amount not to exceed 10 percent of each subsequent payment request related to the contractor's CAS-covered prime contracts, which contain the appropriate provisions, until the cost impact proposal has been furnished by the contractor, in the form and manner specified by the ACO.
11. In consultation with the auditor, prepare the Government's position on the amount of the adjustment.	B11. In cases of noncompliance, prepare the Government's position in the absence of a cost impact proposal from the contractor.
12. Negotiate.	B12. Provide copies of the negotiation memoranda to cognizant auditors and contracting officers of other agencies having prime contracts affected by the negotiation. Also provide a copy to the ACO of the next higher tier subcontractor or the prime contractor if a subcontract is to be adjusted.
13. Prepare supplemental agreements.	
14. If no agreement on the cost or price adjustment is reached within 20 days, take action in accordance with the clause at 52.233-1, Disputes, and collect money due the Government.	

UNIT 77 COST ACCOUNTING STANDARDS — APPENDIX I

EXEMPTIONS FROM CAS COVERAGE

BASIS FOR EXEMPTION	THE CONTRACT AND/OR SUBCONTRACT IS EXEMPT IF
Method of procurement	Awarded through sealed bidding.
Method of pricing	Price is set by law or regulation.
	Price is firm fixed price or fixed price with economic price adjustment (provided that price adjustment is not based on actual costs incurred) in contracts for the acquisition of commercial items.
	Firm fixed-price and awarded without submission of any cost data.
Dollar Amount of the Award	The award does not exceed $500,000. (When determining CAS exemptions, treat an order issued by one segment of a corporation to another as a subcontract.)
Type of Business	With a small business.
Place of Performance	It will be executed and performed entirely outside the United States, its territories, and possessions.
Foreign Concerns	With a foreign government, agent, or instrumentality.
	With a United Kingdom contractor for performance substantially in the United Kingdom (provided that the contractor has filed with the United Kingdom Ministry of Defense, for retention by the ministry, a completed disclosure statement).
	A subcontract under the NATO PHM Ship program to be performed outside the United States by a foreign concern.

UNIT 77 COST ACCOUNTING STANDARDS — APPENDIX I

EXEMPTIONS FROM CAS COVERAGE

UNIT 78 DEFECTIVE PRICING

September 1998

Duty	Determine if cost or pricing data were defective (e.g., not current, accurate, and/or complete) and appropriate remedies.
Conditions	Given a contract, a copy of the price negotiation memorandum, and results of a defective pricing audit.
Overall Standard(s)	Correctly determine if cost or pricing data were defective and the extent to which it was relied upon. Accurately calculate the downward adjustment in price. Correctly determine the amount of penalty and interest due the Government.

UNIT 78 DEFECTIVE PRICING

Policies

FAR	*Agency Suppl.*	*Subject*
15.407-1		Defective cost or pricing data.
52.214-26		Audit—Sealed Bidding.
52.214-27		Price reduction for defective cost or pricing data—modifications—sealed bidding.
52.215-2		Audit—Negotiation.
52.215-10 & 11		Price reduction for defective cost or pricing data.

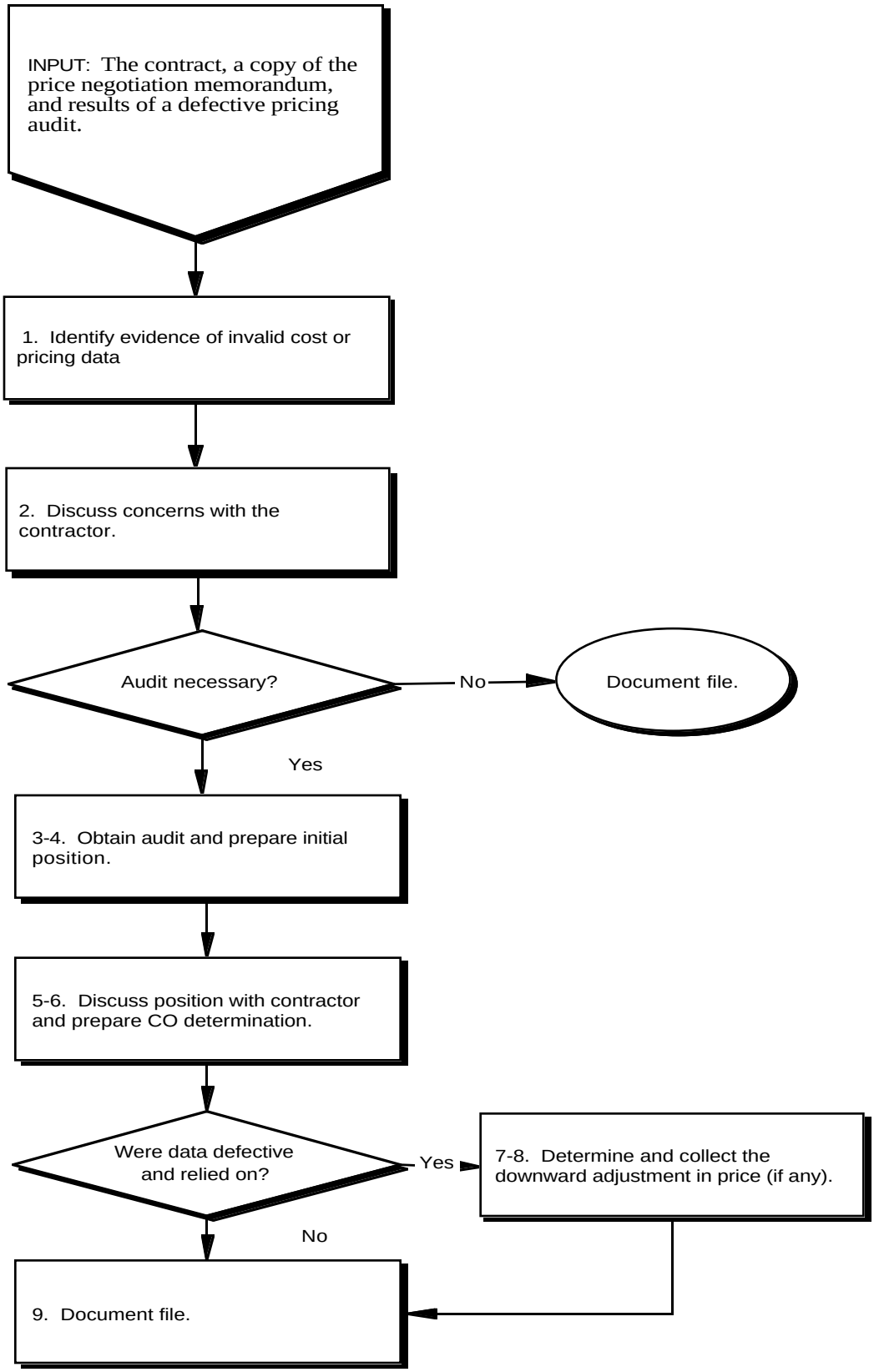
Other KSA's

1. Ability to use the auditor's report.

2. Knowledge of how the courts and Boards of Contract Appeals have interpreted the Truth in Negotiations Act.

Other Policies and References (Annotate As Necessary):

DEFECTIVE PRICING



UNIT 78 DEFECTIVE PRICING

Tasks	Related Standards
1. Identify circumstances which suggest that cost or pricing data may be defective. • Data presented in later negotiations with same company that are significantly different from data from earlier negotiations. • Reported incurred costs (either generally or in a particular category) that seem to be running significantly less than projected. • Data not verified sufficiently at time of negotiation (could not give auditor time needed to make a complete review prior to award or there was a long interval between completion of field review and completion of negotiations). • Data collected during market research (Unit 5) that are inconsistent with certified data from the contractor. • Previous audit reports that raise the possibility of defective pricing. • After submission of certified data from one subcontractor, work assigned to a different subcontractor. • After submission of certified data from a subcontractor, work performed in-house by the prime.	
2. Discuss concerns about the overall validity of submitted cost or pricing data, given the circumstances which have raised concern about its validity. • Obtain contractor's position on whether the cost or pricing data are still accurate, regardless of the circumstances. • Determine if contractor's position provides a satisfactory resolution of concerns about the validity of the cost or pricing data.	2. Consider consulting the cognizant auditor informally before requesting a formal audit, to determine whether a suspicious sounding practice is nonetheless innocent.
3. Request and obtain an audit of cost or pricing data that are suspected of being defective. • Receive notice of the audit and initiate tracking.	3. Do not request an audit if the contractor provides good reason to believe the data are still valid.
4. Prepare for discussions with the contractor. • Review audit report. • Request and review contractor comments on any allegations of defective pricing. • Review the PNM and other documents. • Consult Government personnel who were involved in the negotiations. • Develop prenegotiation objectives.	

UNIT 78 DEFECTIVE PRICING

Tasks	Related Standards
5. Discuss alleged defective pricing with the contractor. • Discuss findings and estimated adjustment and allow contractor to present his/her side and any supporting facts. • Find out what caused the submission of defective data and recommend corrections to the contractor. For example: - Better integration of accounting data in cost estimating. - Improved internal communications. - More careful review by contractor before signing certification.	5. Do not accept any defenses from the contractor that are proscribed in the applicable clause (e.g., that the contractor was a sole source supplier or otherwise was in a superior bargaining position, that the contracting officer should have known that the cost or pricing data were defective even though the contractor took no affirmative action to bring the character of the data to the contracting officer's attention, etc.).
6. Determine whether or not the submitted data were both defective and relied upon.	
7. Determine the amount (if any) of downward adjustment. • If a decrease in one category of cost is offset by an increase in another, the adjustment is the net change (downward only) from correcting the defective data plus related indirect expenses and profit. • If there is a net increase from correcting defective data, make no change. • Calculate the interest due on any overpayments.	7. In arriving at a price adjustment, consider the time by which the cost or pricing data became reasonably available to the contractor and the extent to which the Government relied upon the defective data. When adjusting the price based on defective cost and pricing data from a subcontractor, comply with FAR 15.407-1). Allow an offset only in an amount supported by the facts and if the contractor: • Certifies to the contracting officer that, to the best of the contractor's knowledge and belief, the contractor is entitled to the offset in the amount requested. • Proves that the cost or pricing data were available before the date of agreement on price but not submitted Do not allow an offset if the understated data were not known by the contractor to be understated when the Certificate of Current Cost and Pricing Data. Do not allow an offset if the facts demonstrate that the price would not have increased in an amount to be offset even if the available data had been submitted before the date of agreement on price. Correctly apply the rules in FAR 15.407-1).for calculating the amount of interest due the Government.

UNIT 78 DEFECTIVE PRICING

Tasks	Related Standards
8. Determine the penalty (if any).	8. Correctly determine, with advice of counsel, whether the contractor "knowingly" had submitted defective data. Accurately calculate the penalty amount.
9. Obtain refunds. • Issue a downward adjustment in price as a contract modification under the Defective Pricing clause. • If the contractor has already been paid, collect the amount owed the Government (per Unit 75).	
10. Prepare a memorandum for the file.	10. Prepare and distribute the memorandum as provided in FAR 15.406 & 15.407-1.

UNIT 79 PROPERTY ADMINISTRATION

September 1998

Duties	1. Monitor the acquisition, control, and disposition of Government property by Government personnel and by the contractor. 2. Assess contractors for any Loss, Damage, or Destruction (LDD).
Conditions	Given a contract which provides for Government property.
Overall Standard(s)	Ensure that all parties comply with the applicable property clauses. Amount assessed for LDD accurately reflects the value of the property. Assessment is calculated correctly, fairly, and within a reasonable period of time after the LDD has been identified. Payment is obtained as provided in the contract's terms.

PROPERTY ADMINISTRATION

Policies (expand)

FAR	*Agency Suppl.*	*Subject*
28.303		Contractor insurance for government property.
31.205-26 & 40		Costs of Material, Special Test Equipment, and Special Tooling
42.302(a) (26)-(30)		Contract property administration functions.
45.101 & 45.301		Definitions related to Government property.
45.102		General policies on property.
45.103		Responsibility and liability for government property.
45.104		Review and correction of contractor's property control system.
45.105		Records of government property.
45.4		Contractor use and rental of Government property
45.5		Management of government property in the possession of contractors.
45.6		Reporting, redistribution, and disposal of contractor inventory.
52.245-1 52.245-2 52.245-4 52.245-5 52.245-7 52.245-10 52.245-11 52.245-17 52.245-18		Government property clauses
52.247-29		FOB point for delivery of government furnished property.

Other KSAs

1. Knowledge of property management.

2. Knowledge of the control requirements for Government property.

3. Knowledge of the disapproval/withdrawal/nonacceptance process for the contractor property control system (PCS).

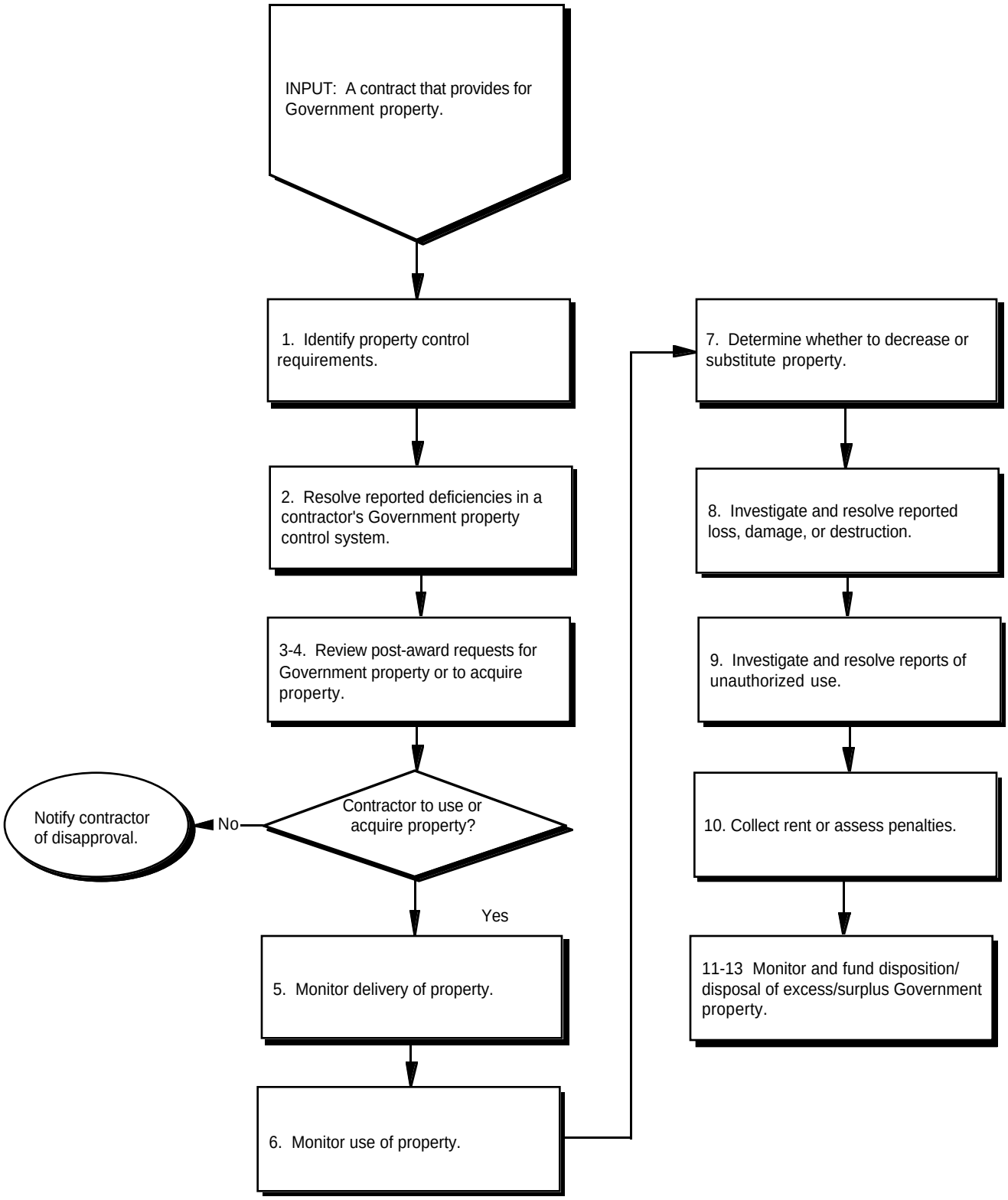
4. Knowledge of postaward Government property transfer requirements, including contract modifications and the obtaining of consideration.

5. Knowledge of the liability policy and provisions for loss, damage, or destruction of Government property and the assessment for any loss, damage, or destruction.

6. Knowledge of the disposal/disposition priorities for Government property, including transfer and funding.

Other Policies and References (Annotate As Necessary):

PROPERTY ADMINISTRATION



UNIT 79 PROPERTY ADMINISTRATION

Tasks	Related Standards
1. Identify control requirements (per Unit 54) for keeping the Contracting Officer abreast of property administration, such as: • Reports on the overall property control system. • Periodic property audits. • Contractor notification that the equipment is down or in need of repair. • Reports of any shortages, losses, damage, destruction, or misuse.	
2. Resolve reported deficiencies in a contractor's Government property control system. • Obtain a copy of the property administrator (PA) notice to the contractor of deficiencies in the system. • Notify the contractor in writing of any required corrections and establish a schedule for completion of actions. • Monitor (through the PA) compliance with the schedule of corrective actions. • Determine whether to withhold or withdraw approval.	2. Notify the contractor of required corrections when requested by the PA. The notice must: • Caution the contractor that failure to take the required corrective actions within the time specified will result in withholding or withdrawing system approval; and • Advise the contractor that its liability for loss of or damage to Government property may increase if approval is withheld or withdrawn.
3. Review post award requests for Government property. • Determine whether to provide or authorize use of the property and under what conditions. • Determine whether to authorize rent-free use of the property. • Absent rent-free use, determine the amount of rent or other consideration. • Modify the contract.	3. Correctly identify applicable special restrictions or conditions (e.g., whether the property would be furnished on an "as is" basis). Correctly apply FAR decision rules for determining whether to provide the property in response to a post-award request. Only authorize rent-free use under the conditions prescribed in FAR 45.404. Otherwise, obtain a fair rental or other adequate consideration if use is authorized.
4. Review post-award requests to acquire specific items of property. • Under the terms of any applicable consent clause (See Unit 56). • As part of the notice required by FAR 245-18 for special test equipment.	4. Ensure that notices of intent to acquire special test equipment under FAR 245-18 are timely and include all information required by that clause. Respond to such notices within 30 days if the Government determines to furnish the equipment or disapprove the acquisition. Correctly identify and request any justification, D&F, or approval uniquely required for the class of property.

UNIT 79 PROPERTY ADMINISTRATION

Tasks	Related Standards
5. Monitor delivery of the Government property as stipulated in the contract (per Unit 61). • Upon written notice from the contractor that the property is not in a condition suitable for the intended use, determine (a) whether to direct the contractor to repair, modify, return, or otherwise dispose of the property and (b) the amount of any related equitable adjustment. • If the Contractor reports that the property was delivered late, determine whether or not to make an equitable adjustment.	5. Ensure that Government property is made available according to schedule and that any inconsistencies are readily apparent and able to be remedied.
6. Monitor the contractor's property control system and use of Government property (see Unit 61). • Ensure that the contractor: - Files a statement of any overages, shortages, or damage of the property as shipped. - Identifies, marks, and records the property. - Furnishes a receipt, if necessary. • Ensure that the contractor: - Maintains the approved property control system. - Obtains all required approvals for use of the property. - Uses the property only for those purposes authorized in the contract. - Segregates the Government property from the contractor's property, unless the conditions at FAR 45.507 are met. - Maintains, repairs, protects, and preserves the property. - Discloses the need for major repair, replacement, or other capital rehabilitation work. - Periodically physically inventories the property. - Maintains the required property records and files all required reports. - Reports all shortages, loss, damages, destruction or unauthorized use of the property.	6. Ensure that property is recorded, identified, and marked as prescribed at FAR 45.506. The contractor's records should provide a complete, current, and auditable record of all transactions. Records should include the information required at FAR 45.505-1 through 505-14. Records should be safeguarded from tampering or destruction. Records should be reasonably accessible to authorized Government personnel. The Government's property may be commingled with the contractor's property **only** under the conditions in FAR 45.507. Contractor physical inventories should be conducted as prescribed in FAR 45.508. The contractor's preventive maintenance program and use of the property should comply with policies in FAR 45.509 and be in accordance with sound industrial practice.

UNIT 79 PROPERTY ADMINISTRATION

Tasks	Related Standards
7. Determine whether to decrease the property to be provided or substitute other property and the amount of any related equitable adjustment.	
8. Investigate and resolve reported loss, damage or destruction of Government property. • Evaluate and document evidence which indicates that Government property has been lost, damaged or destroyed. • Identify extent to which contractor is liable for LDD. Prepare written conclusions on the extent and value of the LDD. • Obtain proposals from the contractor to repair, replace, or otherwise mitigate damage. • Obtain Government estimates and/or audit reports. • Prepare the Government's position on amount and remedy. • Provide the contractor with an opportunity to present additional facts and his/her position. • Issue contractor a written demand for payment (see Unit 75) or make any equitable adjustment for the repair of property when the Government has assumed the risk.	8. Correctly determine contractor liability for shortages, loss, damage, or desctruction of Government property. To the extent the contractor is liable, correctly assess the extent and value of the LLD.
9. Investigate and resolve reports of unauthorized use of Government property. • Evaluate and document evidence. • Provide the contractor with an opportunity to present additional facts and his/her position. • Determine whether there has been unauthorized use. • Upon a finding of unauthorized use, assess the contractor for the full monthly rental without credit per FAR 52.245-9(j).	

Tasks	Related Standards
10. Collect rents or assess penalties under the Uses and Charges clause.	10. Comply with requirements of the Uses and Charges clause (FAR 52.245-9).
11. Obtain contractor reports of excess property. Ensure that the contractor: • Discloses excess contractor inventory. • Prepares inventory schedules. • Corrects inventory schedules that are inaccurate or incomplete. • Executes the certificate on the inventory schedule.	11. Verify that the contractor promptly reports all Government property in excess of amounts needed to complete full performance under the contracts providing it or authorizing its use. Accept the contractor's inventory schedule only after the Government plant clearance officer (if any) verifies that: • The inventory is present at the indicated location. • The inventory is allocable to the contract. • The quantity and condition are accurately reported. • The contractor has endeavored to divert items to other work or to return contrator-acquired property to the supplier for appropriatre credit. The inventory schedules should conform to FAR 45.606.

Tasks	Related Standards
12. Upon the contractor's determination that property is excess, monitor disposition of the property. • Determine the method of disposition, by requiring the contractor to: - Deliver the property to the Government, - Transfer the property to another contract, or - Dispose of the property as prescribed by 45.603. • Determine funding requirements for disposition, if applicable. • Prepare any necessary modification. • Resolve reported property disposal problems.	When transferring Government property to another Government contract, ensure that the gaining contract has a valid requirement for the property prior to authorizing transfer. Ensure that FAR priorities are observed for property disposed as prescribed in FAR 45.603. Fund promptly the disposition of hazardous material, sensitive property, and demilitarization. Does not fail to modify the contract when necessary.
13. Act on "right to title" special tooling lists, by instructing the contractor • To transfer specified items of special tooling to follow-on contracts requiring their use, [1] • To enter into an appropriate storage contract for special tooling specified to be retained by the Contractor for the Government,[1] • To transfer title to the Government (to the extent not previously transferred) and deliver to the Government those items of special tooling which are specified for removal from the Contractor's plant, [1] • To sell the property, or dispose of as scrap, for the account of the Government, any special tooling not specified by the Government pursuant to FAR 52.245-17, • That the Government disclaims further Government interest or right in specified special tooling, or • To take some combination of the above actions.	13. Provide disposition instructions to the contractor within the time frame specified in FAR 52.245-17.

[1]Not applicable to DoD contracts. Also note the proposed rule published at 59 FR 14462 which would also delete these options for other agencies.

UNIT 79 PROPERTY ADMINISTRATION

Tasks	Related Standards

UNIT 80 INTELLECTUAL PROPERTY

September 1998

Duties	1. Monitor compliance with the intellectual property sections of FAR 52.212-4 in contracts for commercial items, or the Clauses in UCF §I (or equivalent clauses in other contracts) by both the contractor and Government personnel. 2. Identify, investigate, and resolve patent-related problems. 3. Identify, investigate, and resolve problems with data rights.
Conditions	Given a contract, the contract administration plan, and any other related document referenced in the contract.
Overall Standard(s)	Properly enforce all contract and procedural requirements. Monitor actions of contracting officer representatives and other support personnel to preclude breaches by the Government. Identify and document potential breaches and report them to the contractor for correction as early as they occur. Accurately assess the impact of potential problems on performance and delivery requirements.

UNIT 80 INTELLECTUAL PROPERTY

Policies

FAR	*Agency Suppl.*	*Subject*
12.211 - 212		Technical data rights in FAR Part 12 contracts; software licensing.
27.104		General guidance on patents, data, and copyrights.
27.201-1 27.202-1 27.203-1		Claims of infringement of patents when the Government has authorized or consented to the manufacture or use of a patented invention.
27.207-1		Determining the security classification of a contractor's patent application.
27.300 - 302 27.304-1 27.304-4 27.304-5 27.305		Administering terms and conditions with respect to inventions made in the performance of work under a Government contract or subcontract if a purpose of the contract or subcontract is the conduct of experimental, developmental, or research work (i.e., terms and conditions with respect to patents).
27.400 - 402 404(f) - (j) 405 - 406		Administering terms and conditions with respect to rights in data and copyrights.
52.212-4(h)		Patent indemnity against liability for patent, trademark, or copyright infringements arising out of contract performance.
52.227-1 through 227-3; 52.227-10 through 227-13		Patents.
52.227-14 and 227-16 thru 227-20		Rights in data.

UNIT 80 INTELLECTUAL PROPERTY

Other KSA's

Other Policies and References (Annotate As Necessary):

UNIT 80 INTELLECTUAL PROPERTY

Tasks	Related Standards
1. Identify, investigate, and resolve patent-related problems. Identify and resolve problems related to: • Reporting requirements. • Patent infringements arising out of or resulting from contracts for supplies or services. • Titles to patents under Government contracts. • Licenses to use patented inventions (by the Government when the contractor has title; by the contractor when the Government acquires title). • Lack of progress by the contractor or assignee in utilizing patents (i.e., potential need to exercise march-in rights). • Preferences for U.S. industry when granting rights to use the invention in the U.S. • Preferences for small business concerns. • Publication or release of invention disclosures. • Greater rights determinations, in response to requests for such rights under FAR 52.227-13. • Contractor appeals under patent clauses.	1. Identify and correctly interpret the applicable FAR policies in subparts 27.1 through 27.3 and the clause(s) in Part 52 (e.g., 227-1, 227-2, 227-3, and 227-10 through 227-13). When administering patent clauses: • Inventions are identified, disclosed, and reported as required by the contract and elections made. • The rights of the Government in such inventions are established. • Where appropriate, patent applications are timely filed and prosecuted by the contractor or the Government. • Expeditious commercial utilization of such inventions is achieved.
2. Identify, investigate, and resolve problems with data rights. Identify and resolve problems related to: • Copyrighting of data first produced in the performance of a contract. • Use of copyrighted data not first produced in the performance of the contract. • Release, publication and use of data. • Unauthorized marking of data. • Omitted or incorrect notices. • Inspection of data at the Contractor's facility. • The acquisition of data.	2. Identify and correctly interpret the applicable FAR policies in subparts 27.1 and 27.4 ; identify and correctly interpret the applicable clause(s) in Part 52 (e.g., 227-14 and 227.16 through 227.20).

UNIT 81 ADMINISTERING SOCIO-ECONOMIC AND MISC. TERMS AND CONDITIONS

September 1998

Duty	Enforce compliance with socio-economic contractual requirements by both the contractor and Government personnel.
Conditions	Given a contract, the contract administration plan, and any other related document referenced in the contract.
Overall Standard(s)	Properly enforce all contract and procedural requirements. Monitor actions of contracting officer representatives and other support personnel to preclude breaches by the Government. Identify and document potential breaches and report them to the contractor for correction as early as they occur. Accurately assess the impact of potential problems on performance and delivery requirements.

UNIT 81 ADMINISTERING SOCIO-ECONOMIC AND MISC. TERMS AND CONDITIONS

Policies

FAR	*Agency Suppl.*	*Subject*
4.3		Paper Documents — use of recycled &.or double-sided paper.
19.706		Responsibilities of the cognizant ACO.
19.707(a)(4)		SBA's role
22.101		Labor relations and work stoppages.
22.103-4(f)		Requests to pay overtime.
22.2		Convict labor; restrictions on employment by contractors.
22..3 22.406-8 22.406-9		Investigating alleged violations of the Contract Work Hours and Safety Standards Act and enforcing the Act (no laborer or mechanic doing any part of the work contemplated by the contract shall be required or permitted to work more than 40 hours in any workweek unless paid overtime).
22.814-1 22.818		Complaints alleging violations of EO 11246 (equal employment opportunity) and enforcing the Order.
22.9		Resolving complaints of discrimination because of age.
22.1019		Classifying employees not covered by a wage determination.
22.1022 - 1026		Enforcing FAR 52.222-40 or 41 (Service Contract Act).
22.1301 22.1304 through 22.1307		Resolving complaints about the administration of the Vietnam Era Veterans Readjustment Act and enforcing the Act.
22.1400-1401 and 1405-1406		Enforcing FAR 52.222-36 (Affirmative Action for Handicapped Workers).
22.1500 - 1509		Employee rights concerning payment of union dues or fees.
23.107		Reporting noncompliance with clean air or water standards.
23.300 - 302		Obtaining data from contractors on hazardous materials prior to delivery of same.
23.506		Enforcing requirements for a drug-free workplace.
25.6		CO's responsibilities for obtaining duty-free entry of supplies.
25.7		Restrictions on certain foreign purchases; enforcing the clause at 52.225-11, Certain Communist Areas.
28.301 - 304 307 - 308		Reviewing contractor insurance plans.
42.302(a)(34), 66) & (68)		Contracting officer responsibilities related to administering socio-economic contract clauses (e.g., labor-relations; drug-free workplace; environmental practices[1]).
52.204-2		Enforcing security requirements.
52.204-4		Printing/Copying Double-Sided on Recycled Paper
52.207-3		Right of first refusal of employment (A-76 competitions).
52.212-4(q)		Requirement to comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to the performance of contracts for commercial items.

[1] FAC 97-01

UNIT 81 ADMINISTERING SOCIO-ECONOMIC AND MISC. TERMS AND CONDITIONS

52.212-4(r)		Requirement to comply with the Contract Work Hours and Safety Standards Act in the performance of contracts for commercial items.
52.222-1		Notice of labor disputes.
52.222-2		Payment for overtime premiums.
52.222-3		Convict labor.
52.222-4		Contract work hrs. and safety stds. act-overtime compensation.
52.222-18		Union dues.
52.222-20		Walsh-Healy requirements to pay the minimum wage.
52.222-26		Equal Opportunity.
52.222-35 and 222-37		Affirmative action for special disabled and Vietnam era veterans.
52.222-36		Affirmative action for handicapped workers.
52.222-40 222-41 and 222-44		Service Contract Act.
52.223-2		Clean air and water.
52.223-3		Hazardous material identification and material safety data.
52.223-6		Enforcing requirements to maintain a drug-free workplace.
52.224-2		Enforcing the Privacy Act.
52.225-10		Executing any required duty-free certificates.
52.225-11		Responding to contractor requests to purchase supplies or services from certain communist areas.
52.237-2		Protection of government buildings, equipment, and vegetation.

Other KSA's

Other Policies and References (Annotate As Necessary):

UNIT 81 ADMINISTERING SOCIO-ECONOMIC AND MISC. TERMS AND CONDITIONS

Tasks	Related Standards
1. Investigate reports or complaints of non-compliance with labor laws.	1. Identify and correctly interpret the applicable FAR policies in Part 22 and clause(s) in Part 52 (e.g., 222-1, 222-3, 222-4, 222-18, 222-20, 222-26, 222-35 through 222-37, 222-40, 222-41, and 222-44).
2. Respond to contractor requests and resolve problems with respect to overtime premiums.	2. Identify and correctly interpret the applicable FAR policies in subpart 22.3 and clause(s) in Part 52 (e.g., 52.222-2).
3. Investigate complaints and other reports of noncompliance with clauses on protection of the environment, privacy, and establishing a drug-free work place.	3. Identify and correctly interpret the applicable FAR policies in subparts 23.107, 23.300, 23.301, 23.302, and 23.506; identify and correctly interpret the applicable clause(s) in Part 52 (e.g., 52.223-2, 223-3, 223-6, 224-2, and 237-2).
4. Review and approve or disapprove contractor insurance plans and proposed changes thereto; investigate and resolve problems with insurance coverage.	4. Identify and correctly interpret the applicable FAR policies in subparts 28.301 through 304, 28.307, and 28.308; identify and correctly interpret the applicable clause(s) in Part 52 (e.g., 52.228-5 and 228-7).
5. Investigate and resolve problems with security.	5. Correctly interpret FAR clause 52.204-2).
6. Execute documents to provide for duty-free entry of contract-related shipments of supplies.	6. Identify and correctly interpret the applicable FAR policies in subpart 25.6 and clause(s) in Part 52 (e.g., 52.225-10).

UNIT 82 CLAIMS

February 1999

Duty	Analyze and recommend settlement positions and prepare a Contracting Officer's decision.
Conditions	Given a contract and a claim from a contractor.
Overall Standard(s)	Correctly determine the validity of the claim and prepare a proper and complete decision. Protect the Government's interests while treating the contractor fairly and equitably within the terms of the contract.

UNIT 82 CLAIMS

Policies

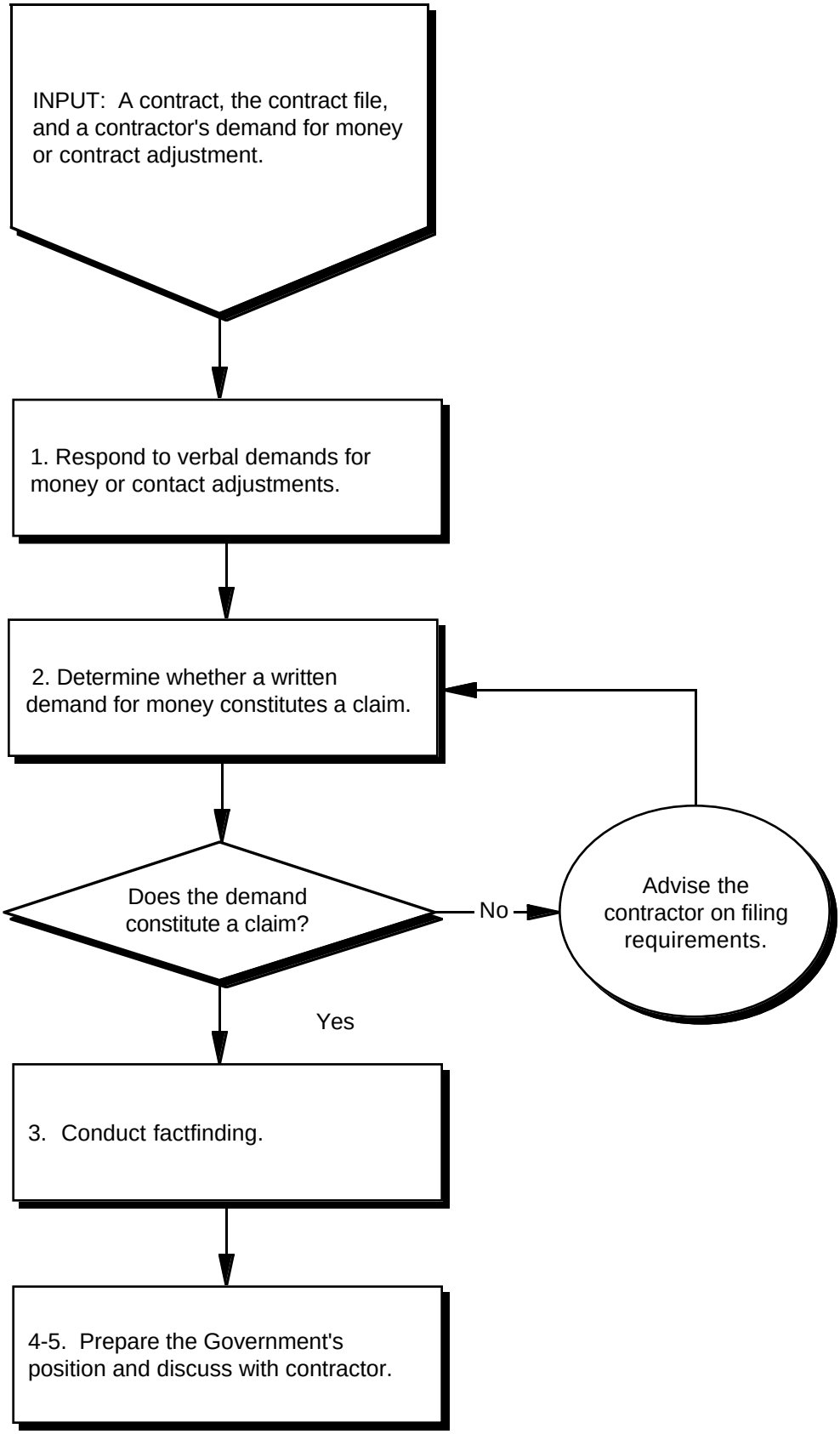
FAR	*Agency Suppl.*	*Subject*
8.405-7		Disputes under a Federal Supply Schedule.
8.605(c)		Disputes regarding price, quality, character, or suitability of supplies produced by FPI, Inc.
22.1026		Disputes regarding labor standards requirements of the contract.
33.2		Disputes and appeals.
43.104		Notification of contract changes.
52.212-4 (d)		Applicability of Disputes Act to contracts for commercial items.
52.233-1		Disputes.
52.243-7		Notification of changes.

Other KSA's

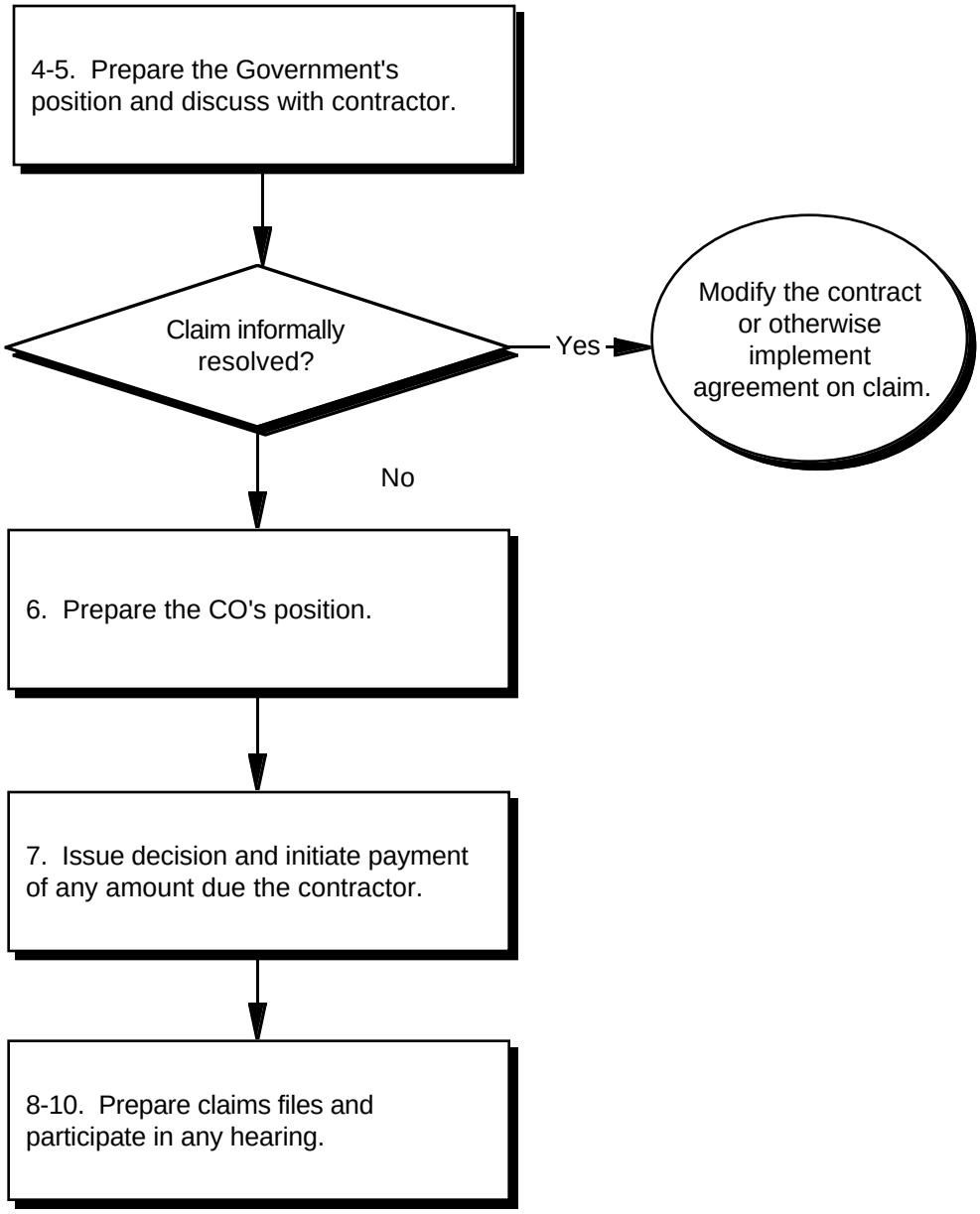
1. Commercial Law.
2. Contract Disputes Act of 1978.
3. Types of claims and typical grounds of claims.
4. Knowledge of GAO, GSA, and other Boards of Contract Appeals decisions.

Other Policies and References (Annotate As Necessary):

CLAIMS


INPUT: A contract, the contract file, and a contractor's demand for money or contract adjustment.
1. Respond to verbal demands for money or contact adjustments.
2. Determine whether a written demand for money constitutes a claim.
Does the demand constitute a claim?
No
Advise the contractor on filing requirements.
Yes
3. Conduct factfinding.
4-5. Prepare the Government's position and discuss with contractor.

CLAIMS


4-5. Prepare the Government's position and discuss with contractor.
Claim informally resolved?
Yes
Modify the contract or otherwise implement agreement on claim.
No
6. Prepare the CO's position.
7. Issue decision and initiate payment of any amount due the contractor.
8-10. Prepare claims files and participate in any hearing.

UNIT 82 CLAIMS

Tasks	Related Standards
1. Respond to an oral demand from the contractor for additional money or contract adjustment. • Ask questions to clarify the claim. • Explain the Government's version of the facts. • Where necessary, break for factfinding. • Advise the contractor of the procedure for submitting a written claim.	1. Provide accurate information and only that information which is directly relevant to the issues presented by the claim.
2. Determine whether a written demand for money constitutes a **payable** claim. • Addressed to Contracting Officer. • Supporting documentation. • If over $100,000, accompanied by the certification prescribed in FAR 33.207.	2. Return the demand for correction if the demand does not meet the requirements of FAR 33.206 and 33.207. Otherwise, document the contract file with evidence of the date of receipt of any submission from the contractor deemed to be a claim by the contracting officer. Correctly determine whether the claim exceeds the dollar threshold for certification (i.e., in the aggregate).
3. Conduct factfinding related to the contractor's demand and record the findings of fact. Is the claim: • Timely (e.g., statute of limitations; within timeframes in contract)? • Not covered by an existing release of claims? • Not barred by another contract clause (e.g., the clause at 52.219-10, which states that "determinations made under this clause are not subject to the Disputes clause")? • Not covered by the procedures of a clause other than the Disputes clause (e.g., requests for relief under P.L. 85-804)? • Supported by sufficient data from the contractor, and such data are accurate and complete? • Factually correct?	3. Correctly determine whether the demand has “standing” (i.e., that the Government is required to hear it as a matter of law), is factually correct, and is supported by sufficient data.

UNIT 82 CLAIMS

Tasks	Related Standards
4. Prepare the Government's position on the claim. • Establish position: - Reject in whole. - Partially accept. - Accept in whole. • Determine the amount (if any) of adjustment (per Unit 40), interest due the contractor, and any other consideration. • Refer suspected fraudulent claims for investigation).	4. Correctly determine whether the CO has jurisdiction to decide or resolve the claim (per FAR 33.210). The Government's position should be based on facts submitted by contractor with the written claim (and not on any other information that may have been provided by the contractor in discussions or other forms). Correctly determine the validity of the claim and amount of adjustment. Develop questions to collect additional data (if any) from the contractor necessary to validate the claim. Refer claims for investigation of fraud under the conditions described at FAR 33.209.
5. Attempt to resolve the demand through informal discussions (per Units 45 and 46) or a procedure for Alternate Dispute Resolution. Possibilities: • Resolution short of contract modification. • Contract modification.	5. Per FAR 33.204, try to resolve all contractual issues by mutual agreement at the contracting officer's level, unless otherwise precluded from such a decision or settlement by FAR 33.210. Participate in an ADR only if both parties have agreed on all essential elements per FAR 33.214 (including certification of the claim, regardless of dollar amount, as provided in FAR 33.207). If the contracting officer rejects a contractor's request for ADR, the contracting officer must provide a written explanation to the contractor, citing "one or more of the conditions in 5 U.S.C. 572(b) or such other specific reasons…" Contractors have the same obligation if they reject the agency's request for ADR.

UNIT 82 CLAIMS

Tasks	Related Standards
6. Prepare the Contracting Officer's decision and obtain legal review. • Description of the claim or dispute. • Reference to the pertinent contract terms. • Statement of the factual areas of agreement or disagreement. • Statement of Contracting Officer's decision with supporting rationale. • Contractor appeal rights. • Demand for payment (per Unit 75) if the decision results in a finding that the contractor is indebted to the Government.	6. Prepare the decision only if agreement cannot be reached short of such a decision. Make the decision within required timeframes stated in FAR 33.211. The decision should be complete. The facts and logic should be sufficient, standing alone, to support the Government's position and refute any contrary position in the contractor's written claim. The statement of the contractor's appeal rights substantially should conform to the language in FAR 33.211.
7. Issue the decision and initiate payment of any amount due the contractor under the decision.	7. Initiate payment regardless of whether the contractor appeals the decision. Correctly determine the amount of interest (if any) due the contractor.
8. If the contractor appeals to the agency's Board, prepare a claims file as requested by the Board.	
9. If contractor appeals to the court, prepare claims files as requested by the appeals court.	
10. Participate in appeal proceedings as requested by the agency's counsel, Board, or Court.	

UNIT 82 CLAIMS

Tasks	Related Standards

UNIT 83 TERMINATION

September 1998

Part A: Determine Whether to Terminate and Method (if any) of Termination

Duty	Determine whether to terminate.
Conditions	Given contracts, evidence of performance problems, show cause or cure notices, and requests for termination from the requiring activity and/or contractor.
Overall Standard(s)	Terminate for convenience if funds are insufficient, the requirement is no longer needed, or the quantity needed has been reduced. Also terminate for convenience if there has been a radical change in the requirement that is beyond the contractor's expertise. Terminate for cause or default when there is no other alternative for obtaining performance, given the current contractor's problems and deficiencies, and the Government has a sustainable case to terminate for cause or default.

Part B: Terminating for Convenience

Duty	Terminate for convenience.
Conditions	Given the contract and a decision to terminate for convenience.
Overall Standard(s)	Meet the requirement as amended by the requiring activity and negotiate a settlement that returns the contractor whole for his/her costs sustained in meeting the requirement to the point of cancellation.

Part C: Terminating for Cause or Default

Duty	Terminate for cause or default.
Conditions	Given the contract and a decision to terminate for cause or default.
Overall Standard(s)	Establish a case that meets the Government's legal and factual burdens of proof and demonstrates that the cause/default termination is the best way of meeting the requirement. Reinstate the contract if the contractor provides good reason for believing that reinstatement is the best way of meeting the requirement. Reprocure and demand recovery of all costs for which the contractor is liable.

UNIT 83 TERMINATION

Policies

FAR	*Agency Suppl.*	*Subject*
8.405-4 through 405-6		Terminating FSS orders.
9.405-1		Continuation of a current contract with a debarred or suspended firm.
12.403		Terminating contracts for commercial items.
19.812		Requirement to terminate 8(a) contracts for convenience when the 8(a) concern transfers ownership or control of the firm (unless SBA waives the requirement).
32.109		Financing of contractor costs for termination.
49		General FAR policies on termination.
52.212-4(l) & (m)		Termination of contracts for commercial items.
52.213-4(f) & (g)		Termination of contracts for other than commercial items in simplified acquisitions.[1]
52.249-1 52.249-2 52.249-4 52.249-5		Termination for convenience.
52.249-6		Termination (Cost-Reimbursement).
52.249-8 52.249-9		Default
52.249-12		Termination (Personal Services).

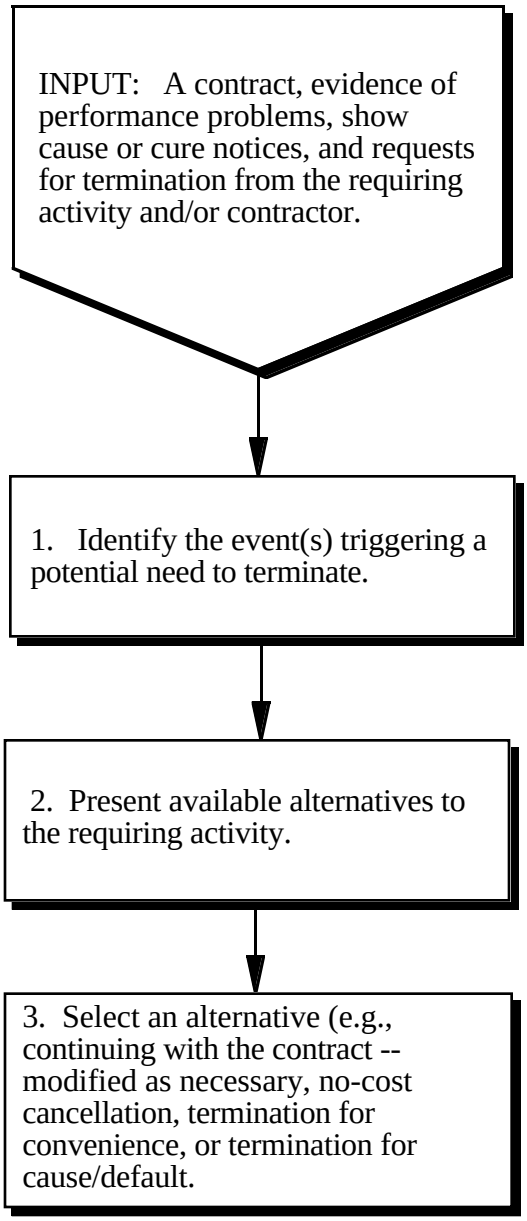
Other KSA's

1. Commercial law, accounting, and quantitative analysis.

Other Policies and References (Annotate As Necessary):

[1] FAC 97-03

Determine Whether to Terminate for Convenience or Default



UNIT 83 TERMINATION

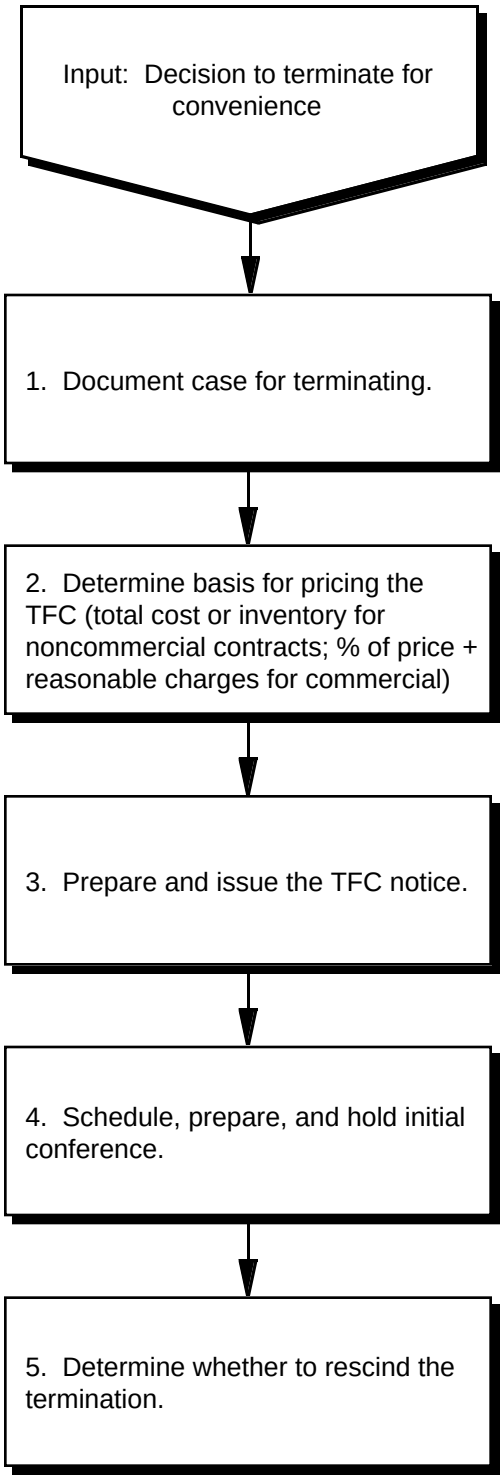
Part A: Determine Whether to Terminate and Method of Termination

Tasks	Related Standards
1. Identify the event(s) triggering a need to terminate. • Issuance of cure or show cause notice, when the contractor has failed to show the Government that the requirement will be fulfilled per the contract's terms. • Requiring activity signals that: - Need no longer exists or has already been fully satisfied short of the required quantity. - Funds not available. - There has been a radical change in the requirement that goes beyond the contractor's expertise.	

UNIT 83 TERMINATION

Part A: Determine Whether to Terminate and Method of Termination

Tasks	Related Standards
2. Present the available alternatives to the requiring activity, along with pros and cons of each alternative. Alternatives: • Continue the present contract, through such means as: - Permitting performance by the contractor, surety, or guarantor under a revised delivery schedule. - Permitting the contractor to subcontract with an acceptable third party or establish other business arrangements with such party. • A no-cost cancellation. • Termination for Convenience (TFC). • Termination for Cause or Default (TFD).	A2 and A3. Recommend the alternative that will have the least impact on the Government's requirements (per this contract and future contracts), delivery schedule, and overall cost. Continue the present contract when the requirement can be most cost-effectively accomplished under the present contract (e.g., when the price of the undelivered balance of the contract is less than $5,000 or if undelivered items are complete and acceptable but not yet shipped). If the termination is pursuant to a unilateral purchase order, issue a no-cost cancellation if the contractor has not yet accepted the Government's offer (i.e., no letter of acceptance; no performance of work). If the offer has been made and accepted, only issue a no-cost cancellation when: • The supply or service can readily be obtained elsewhere, • A no-cost settlement is acceptable to the contractor, • Government property had not been furnished to the contractor, and • There are no outstanding payments, debts due the Government, or other contractor obligations. Terminate for convenience when the requirement is no longer necessary or, if it could be more cost-effectively met by reprocuring, there is no sustainable basis to terminate for cause or default given the tests in Appendix I.
3. Recommend termination for convenience or cause/default.	Terminate for cause/default if the Government's case meets the tests in Appendix I.



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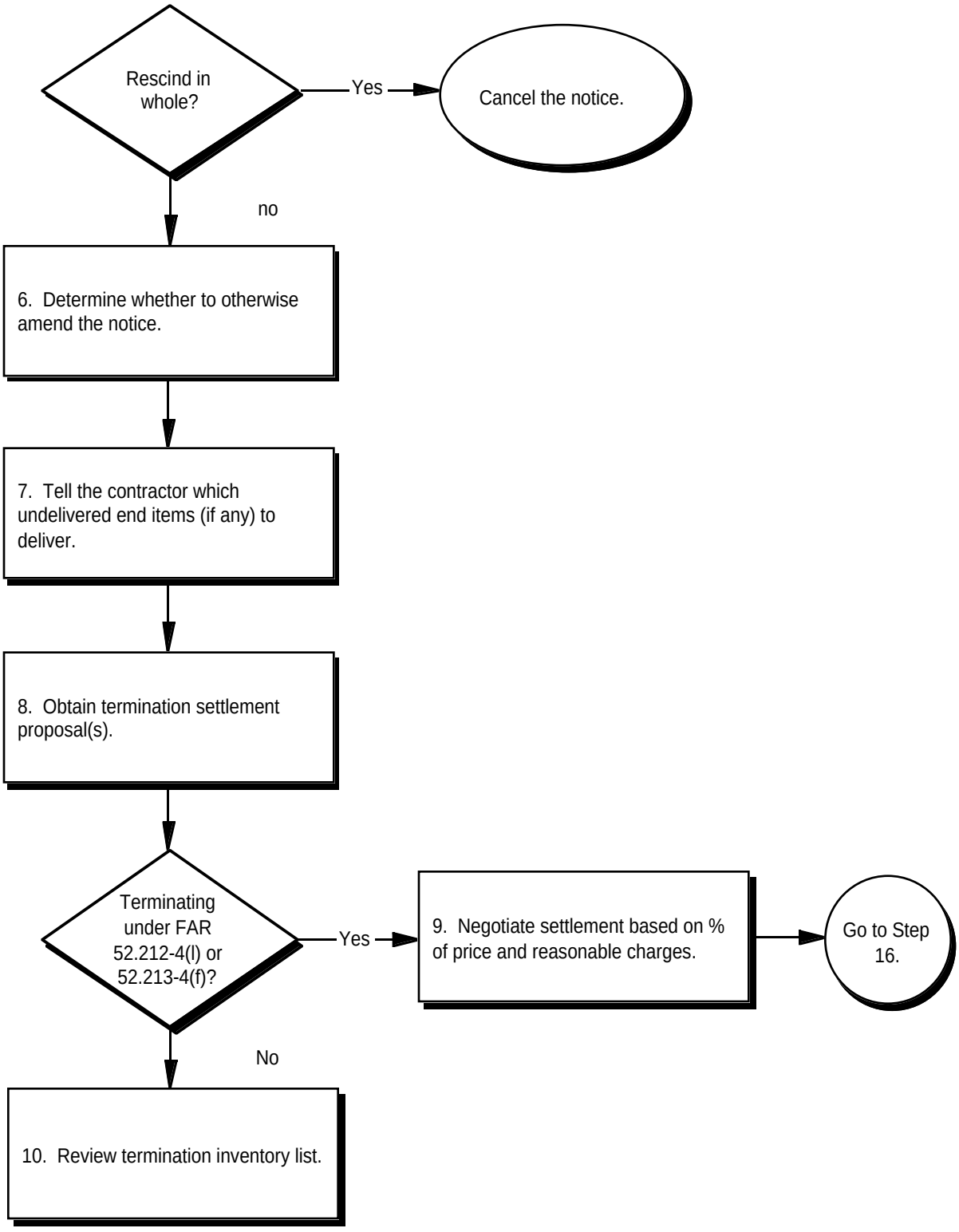

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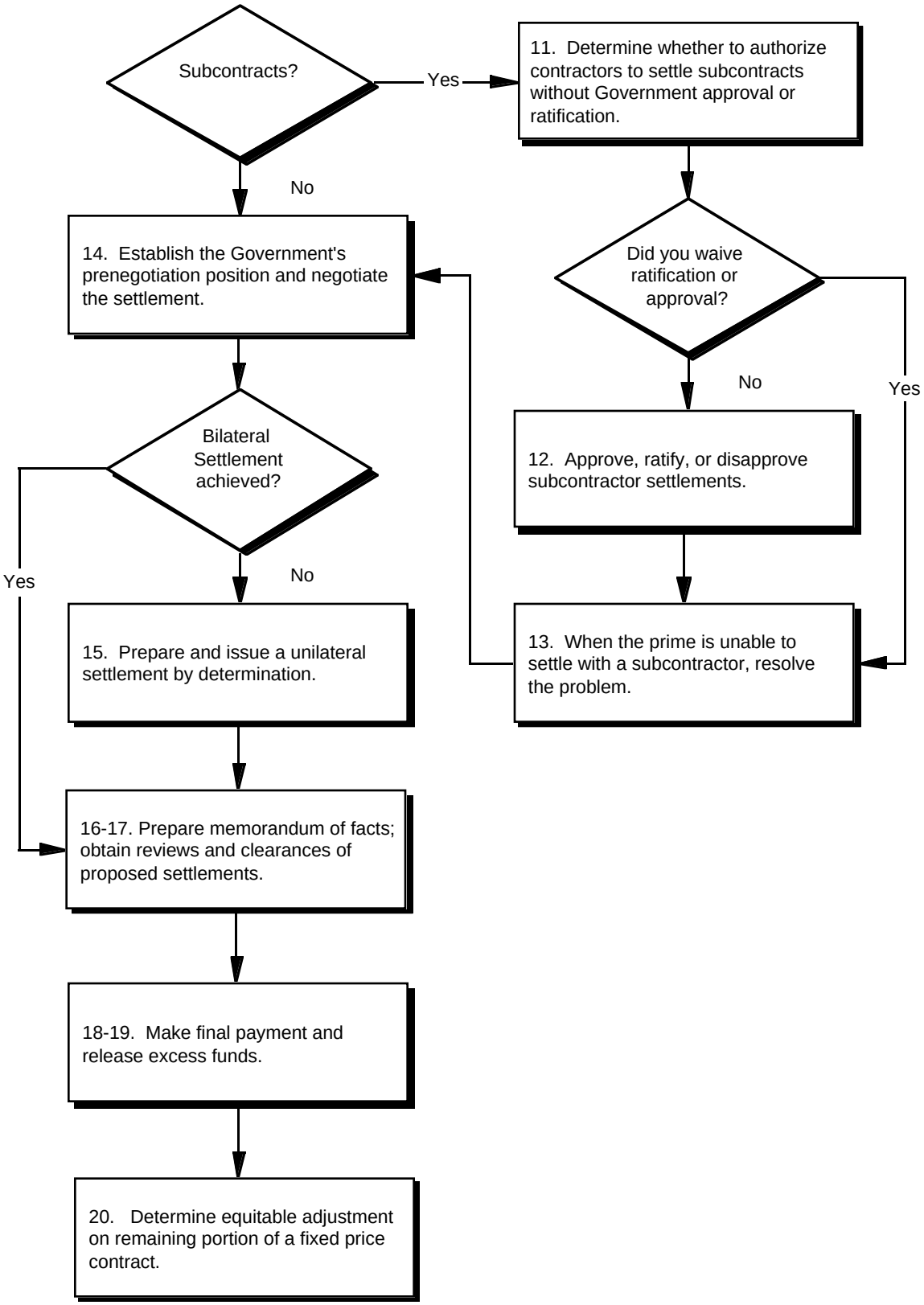


UNIT 83 TERMINATION

Part B: Terminating for Convenience

1. Document the case for terminating. • No longer a need for the requirement. • Funding for the contract is eliminated or curtailed. • A Board or court has overturned the Cause/Default termination. • Impossibility of performance (specifications, acceptance delivery, etc.). • Other.	
2. If settling a fixed price contract for convenience, determine the basis for settlement. • Inventory. • Total cost. • Percentage of price.	B2. Plan to settle on "percentage of price" if the contract includes the clause at FAR 52.52.212-4(l). Determine whether to use the inventory or total cost basis by correctly applying the factors in FAR 49.206-2.
3. Prepare and issue the TFC notice. • Specify the extent (partial or complete), the effective date of TFC, and any other instructions. • Send copies to the contractor, the contract administration activity (if any), and to any known assignee, guarantor, or surety of the contractor.	B3. Prepare and issue the notice as prescribed in 49.102 and 49.601. Provide copies to appropriate offices, including to the requiring activity and finance. [Question: To what extent (if any) would a contracting officer modify the standard FAR 49.601 TFC notice when terminating under FAR 52.212-4????]

UNIT 83 TERMINATION

Part B: Terminating for Convenience

4. Schedule, prepare, and conduct the initial conference with the prime contractor. Potential topics: • Reasons for terminating. • Extent of the termination, point at which work is stopped, and the status of plans, drawings, and data (if any) that would have been delivered had the contract been completed. • Status of any continuing work. • Obligation of the contractor to terminate subcontracts and general principles for settling with subcontractors. • Principles and procedures for settling the termination, including the contractor's related obligations under the termination clause. • Form(s) for settlement proposals. • Any requirement for interim financing in the nature of partial payments. • Tentative time schedule for submitting and negotiating settlement proposals and related schedules (e.g., termination inventory; accounting information schedules). • Actions taken by the contractor to minimize impact upon employees affected adversely by the termination. • Any counterproposal by the contractor to modify the contract rather than terminate it.	B4. Correctly explain duties of the prime contractor under FAR 49.104. Conduct the conference as provided in FAR 49.105(c). Correctly identify relevant topics when terminating noncommercial contracts for convenience, including such additional topics as: • Names of subcontractors; issuance dates of subcontractor termination notices. • Contractor personnel responsible for settling with subcontractors; methods being used. • Arrangements for the transfer of title and delivery to the Government of any material required by the Government. • Principles and procedures for (1) preparing termination inventory schedules and (2) protecting, preserving, and disposing the inventories. • Instructions in FAR 49.206 for preparing and submitting cost-based settlement proposals. • For cost-type contracts, instructions in FAR 49.3 for preparing final settlement proposals and vouchers. • Contractor accounting practices. • Preparing the SF 1439. • Accounting review of settlement proposals. • Requirements, where applicable, to furnish certified cost or pricing data. Correctly identify relevant topics when terminating contracts for convenience under FAR 52.212-4(l) , including such additional topics as: • Price-based settlements. • Identifying other reasonable charges based on the contractor's "standard record keeping system".
5. Determine whether to rescind the termination in whole or in part and, if so, prepare an amendment of the termination notice to rescind. Basis for rescinding: • The contractor's counterproposal or • Notice from the requiring activity that the requirement has been restored or funding resumed.	B5. Rescind the notice when: • Terminated items had been completed or shipped before the contractor's receipt of the notice, or • The contractor has consented in writing to reinstatement, the terminated items are still required, and reinstatement would be advantageous to the Government.

6. Determine whether to otherwise amend the notice of termination.	B6. Amend the notice to correct nonsubstantive mistakes or add supplemental data or instructions.
7. Determine which undelivered, accepted end items are to be delivered under the contract. • After the termination date, arrange for inspection of all completed, undelivered end items. • Determine which completed and accepted undelivered end items will nonetheless not be delivered under the contract.	B7. With respect to fixed price contracts being terminated for convenience, authorize invoicing and payment of end items delivered under the contract and instruct the contractor not to include payment for them in the settlement proposal.
8. Obtain contractor's termination settlement proposal and, where appropriate, the settlement proposals of subcontractors.	
9. For commercial contracts and for contracts that include the clause at FAR 52.213-4[1], negotiate settlement based on % of price and reasonable charges as prescribed by FAR 52.212-4(l) or 52.213-4(f).	B9. (See Units on Cost and Price Analysis).
10. Review any termination inventory list.	B10. Obtain support from Federal property specialists to: • Verify existence of the termination inventory. • Determine qualitative and quantitative allocability. • Make recommendations concerning servicability. • Undertake necessary screening and redistribution. • Assist the contractor in accomplishing other disposition.
11. Determine whether to authorize contractors to settle subcontracts terminated in whole or in part without approval or ratification.	B11. Provide such authorization under the conditions prescribed in FAR 49.108-4.

[1] FAC 97-03.

UNIT 83 TERMINATION

Part B: Terminating for Convenience

12. Approve, ratify, or disapprove subcontractor settlements. • Obtain copies of subcontractor settlements and supporting data. • For noncommercial contracts, obtain audits and technical reviews of subcontractor settlements. • Prepare a position on the whether the settlements were arrived at in good faith, are reasonable in amount, and are properly allocable to the terminated portion of the contract.	B12. Examine subcontractor settlement proposals as prescribed in FAR 49.108-3. Obtain audits of subcontractor settlements as prescribed in FAR 49.107.
13. When the prime contractor is unable to reach an acceptable settlement with a subcontractor, resolve the problem. Alternatives: • Provide assistance in settling the subcontractor. • Directly settle and pay the subcontractor. • Except the subcontractor settlement proposal from negotiations with the prime contractor on the overall settlement proposal and settle with the prime.	B13. Negotiate a final settlement which excepts a subcontractor settlement proposal as provided in FAR 48.108-6. Provide assistance in settling the subcontract as provided in FAR 49.108-7. Direct the contractor to assign to the Government all rights, titles, and interest under any subcontract and proceed to settle directly with a subcontractor as provided in FAR 49.108-8.

14. Establish the Government's prenegotiation position on the settlement and negotiate. • Obtain technical review and final audit of the settlement proposal. • Determine whether to authorize partial payment against the contractor's settlement proposal before reaching a final settlement. - Calculate the amount to pay. - Identify the payee. - Obtain security. - Certify and approve the partial payment. • Prepare the Government's position on all outstanding elements of cost (per Unit 40). • When a subcontractor has obtained a final judgement against the prime contractor or obtained an arbitration award, determine the extent to which the judgement or award will be incorporated in the settlement between the prime contractor and the Government. • Negotiate (per Units 45 and 46) settlement of outstanding costs. - One tactic: Mutually create and run down a check list of cost elements. - Focus on 3-4 most critical cost elements. • Determine whether to reach a partial settlement when a bilateral agreement cannot be reached on all outstanding elements of cost. • Given indicators of fraud or other criminal conduct, determine whether to discontinue negotiations and report the contractor. • Modify contract (per Unit 58) to include the settlement agreement. • Obtain release of claims.	B14. Obtain audits of prime contractor settlement proposals when required under FAR 49.107. Incorporates judgements or awards as prescribed in FAR 29.108-5. The final settlement should conform to FAR part 49.109, in that it should: • Cover any setoffs that the Government has against the contractor that may be applied against the terminated contract. • Cover all settlement proposals of subcontractors or identifies those which have been excepted from the agreement and reserved for separate settlement. • Include any reservation prescribed in FAR 49.109-2 and 49.103-2 and includes any appropriate deduction from the amount otherwise due the contractor for property for which the contractor cannot account. • Take the form of a no cost settlement when the contractor has not incurred or is willing to waive costs for the terminated portion of the contract and no amounts are due the Government under the contract. Determinations on partial payments should conform to FAR 49.112-1. Only reach a partial settlement under the conditions specified in FAR 49.109-5. With respect to fixed price contracts which are terminated for convenience, apply the principles in FAR subpart 49.2 in determining the settlement amount (including any deductions under 49.204). For incentive contracts, the settlement should conform to FAR 49.115. With respect to cost reimbursement contracts which are terminated for convenience, apply the procedures and principles in FAR subpart 49.3 in determining the need for an audit, determining indirect costs, reaching a final settlement on costs, adjusting the fee, and partially terminating the contract.

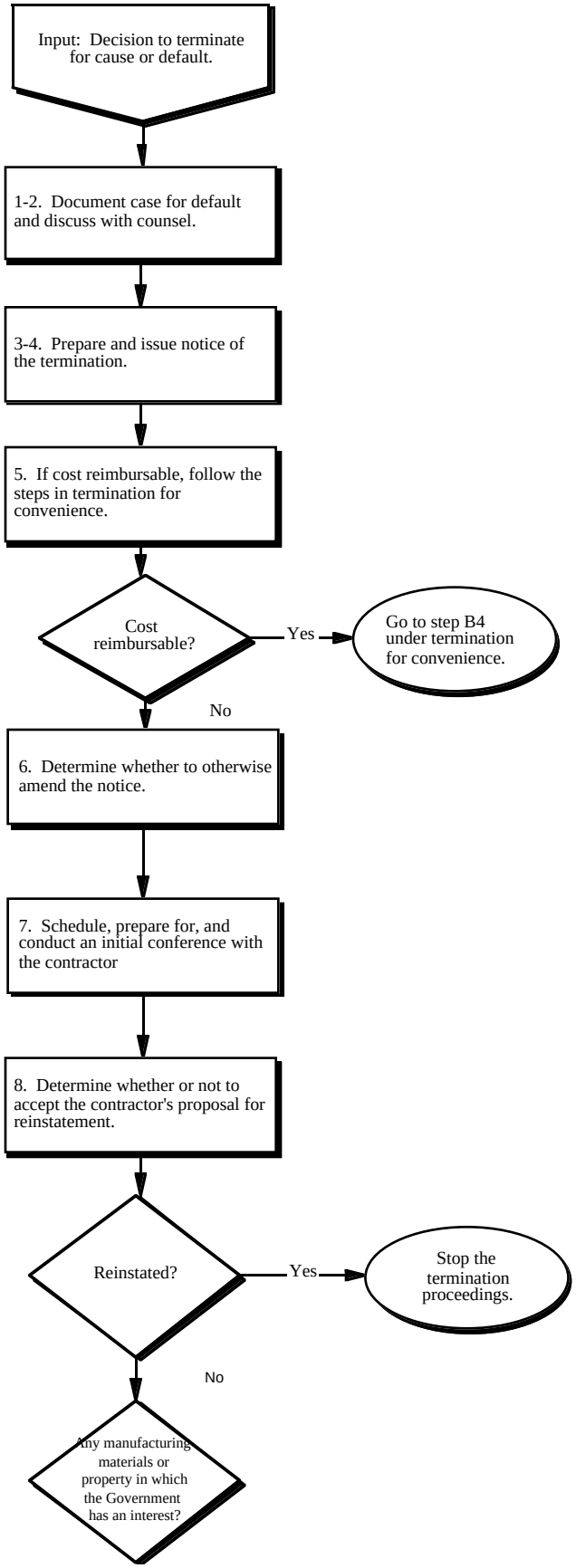
UNIT 83 TERMINATION

Part B: Terminating for Convenience

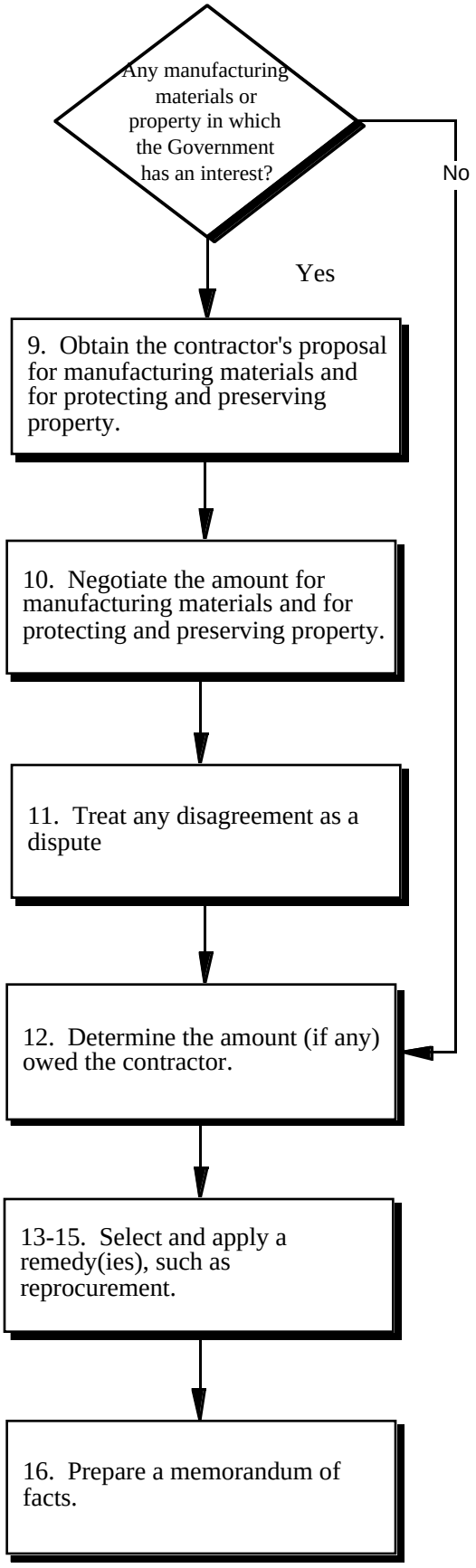
15. Prepare and issue a unilateral settlement by determination. • Provide notice to the contractor of intent to settle by determination. • Review any data provided by the contractor. • Request the contractor to submit any additional documentation and data bearing on the determination. • Request any necessary or required accountings, investigations, and audits. • Determine the need for factfinding conferences with the contractor, Government personnel, independent experts, and persons who have submitted affidavits or reports. • Conduct any needed factfinding conferences (per Unit 43). • Determine the amount due (by applying techniques from Unit 40). • Transmit a copy of the determination to the contractor, including a statement that the determination is a final decision which may be appealed under the disputes clause under the conditions cited at FAR 49.109-7(f). • Return books of account, together with other original papers and documents, to the contractor.	B15. Settle by determination when: • The Government and contractor cannot reach a bilateral agreement on all elements of outstanding cost. • The contractor has not submitted a settlement proposal within the period stipulated in the termination clause. Provide at least 15 days advance notice by certified mail. The determination should conform to FAR 49.107-7. Transmit the determination by a method that provides evidence of receipt. Return books of accounts and other such documents to the contractor as provided in FAR 49.107(e). For fixed price contracts, apply the principles in subpart 49.2 in determining the settlement amount (including any deductions under FAR 49.204). For cost reimbursement contracts, apply the procedures and principles in FAR subpart 49.3 in determining the need for an audit, determining indirect costs, reaching a final settlement on costs, adjusting the fee, and partially terminating the contract.
16. Prepare a memorandum of facts. • Effective date of termination and summary of overall position . • Nature of requirement. • Status of requirement and reasons for termination. • Outstanding costs and proposed settlement of same. • Explanation of matters involving differences and doubtful questions settled by agreement and the factors considered. • Rationale for proposed settlement .	B16. When settlement was by determination, retain all written evidence and other data relied on in making the determination, except that copies of original books of account need not be made. If the settlement was negotiated on an item by item basis, specify the factors considered for each item. If the settlement was on an overall price (plus reasonable charges) or lump-sum basis, support the total amount of the recommended settlement in reasonable detail.
17. Obtain reviews and clearances of the proposed settlements.	
18. Make final payment or, where the partial payment was in excess of the final amount of the settlement, demand repayment.	B18. Accomplish final payment or repayment in compliance with FAR 49.112-1(g) and 49.112-2.

19. Calculate and release excess funds.	
20. Given a contractor's request for an equitable adjustment on the remainder of a fixed price contract which had been partially terminated for convenience, determine the equitable adjustment.	B20. Comply with FAR 49.208 in determining the equitable adjustment.

Terminating for Cause or Default



Terminating for Cause or Default



UNIT 83 TERMINATION

Part C: Terminating for Cause or Default

Tasks	Related Standards
1. Document the case for default, including the cure or show cause notice issued (per Units 64 and 65). See Appendix 1 for default tests.	
2. Discuss case with counsel (preliminary review); identify additional facts necessary to strengthen case.	
3. Prepare and issue termination notice. When terminating for default, state: • The contract number and date. • Effective date of the termination. • The specific portion terminated (if partial). • Acts or omissions constituting the default. • That the contractor's right to proceed further under the contract (or the specified portion of the contract) is terminated. • That the terminated supplies or services may be reprocured against the contractor's account and that the contractor will be held liable for any excess costs. • The notice of termination constitutes a decision that failure to perform is not excusable and that the contractor may appeal that decision under the Disputes clause. • That the Government reserves all rights and remedies provided by law or under the contract, in addition to charging excess costs. • That the notice constitutes a decision that the contractor is in default as specified and that the contractor has the right to appeal under the Disputes clause. • Specific instructions to the contractor. For example: - Stop using tooling. - Terminate any and all subcontracts by X date and Y hour. - Cease to book charges immediately. - Follow steps [specify same] to minimize the impact on personnel if the termination, together with all other outstanding terminations, will result in a significant reduction in the contractor's work force.	C3. If terminating for default, prepare and distribute the notice as prescribed in FAR 49.102, 49.402-3(g), 49.402-3(h), and 49.601. If terminating for cause under FAR 52.212-4(m) or 52.213-4(g)[1], prepare the notice as prescribed in FAR 12.403. At minimum: • Indicate the contract is terminated for cause, • Specify the reasons for the termination, • Indicate which remedies the Government intends to seek or provide a date by which the Government will inform the contractor of the remedy, and • State that the notice constitutes a final decision of the contracting officer and that the contractor has the right to appeal under the Disputes clause (see 33.211).
4. When cause/default termination is issued, inform the program office, finance office, Inspector General, etc.	

[1] FAC 97-03.

UNIT 83 TERMINATION

Part C: Terminating for Cause or Default

Tasks	Related Standards
5. If the contract is cost reimbursable, follow the steps in terminating for convenience, except: • Do not allow the costs of preparing the contractor's settlement proposal. • Reduce the total fee as provided in the clause.	C5. When terminating a cost reimbursement contract for default, comply with FAR 49.403.
6. Determine whether to otherwise amend the notice of termination.	C6. Amend the notice to correct nonsubstantive mistakes or add supplemental data or instructions.
7. Schedule, prepare for, and conduct an initial conference with the prime contractor (and, where appropriate and after consultation with the prime contractor, major subcontractors). Potential topics: • Contractor questions about the default (be willing to take the contractor through your case). • Extent of the termination, the point at which work is stopped, and the status of any plans, drawings, and information that would have been delivered under the completed contract. • Status of any continuing work (if a partial termination). • Obligation of the contractor to terminate subcontracts. • Arrangements for the transfer of title and delivery to the Government of any completed supplies and manufacturing materials (i.e., partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights) that the termination notice has directed be delivered to the Government. • General principles and procedures to be followed in the protection and preservation of any property in the Contractor's possession in which the Government has an interest. • Submission of proposals on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. • Tentative time schedule for the negotiation of an agreement on such proposals. • Actions taken by the contractor to minimize impact upon employees affected adversely by the termination. • Any counterproposal by the contractor to modify the contract rather than terminate it.	C7. Only conduct such a conference when terminating a fixed price contract for default when necessary. Provide accurate information on the contractor's duties under FAR 49.104 and the specific terms and conditions of the contract.

UNIT 83 TERMINATION

Part C: Terminating for Cause or Default

Tasks	Related Standards
8. Determine whether or not to accept the contractor's counterproposal (if any) for reinstating the contract in whole or in part and, if so, prepare an amendment of the termination notice to rescind.	C8. Rescind the notice when the contractor has consented in writing to reinstatement, the terminated items are still required, and reinstatement would be advantageous to the Government.
9. Obtain the contractor's proposal on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property.	
10. Negotiate an agreement on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property.	
11. If no agreement is reached on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property, treat the disagreement as a Dispute under the Disputes Clause (per Unit 82).	
12. Determine the amount owed the contractor (if any).	C12. Correctly factor in: • The contract price for completed deliverables that have been delivered and accepted. • The negotiated agreement on payment for manufacturing materials that have been delivered and accepted and for the protection and preservation of the property. • Deductions necessary to protect the Government against loss because of outstanding liens or claims of former lien holders.

UNIT 83 TERMINATION

Part C: Terminating for Cause or Default

Tasks	Related Standards
13. Select and apply one or more available remedies.	C13. Accurately identify the applicable remedy or remedies that best match the circumstances of the acquisition.[1]
14. If a selected remedy, reprocure.	C14. Comply with the provisions of FAR 49.402-6 when reprocuring. If the contract was terminated for cause under FAR 52.212-4, correctly compute excess reprocurement costs and incidental or consequential damages incurred because of the termination. Correctly mitigate or reduce damages to the Government (e.g., by promptly reprocuring and at a fair and reasonable price). Correctly identify any other differences when reprocuring under FAR Part 12 vs. under FAR 49.402-6.

[1] FAR §52.212-4(m) and 52.213-4(g) state that, "in the event of termination for cause, the Government shall not be liable to the Contractor for any amount, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law." §12.403 further stipulates that "the Government's rights after a termination for cause shall include all the remedies available to any buyer in the market place" and that the "preferred remedy will be to acquire similar items from another contractor and to charge the defaulted contractor with any excess reprocurement costs together with any incidental or consequential damages incurred because of the termination". In commercial law, this remedy is known as "cover" (UCC §2-712). [§12.403 and §52.212-4(m), FAC 90-32, Case 94-970]

Under the UCC, other buyer's rights and remedies include the following.

- Cancel and, with notice, rescind (UCC §2-711).
- Sue for breach of contract (UCC §2-713) if the seller repudiates the contract or fails to deliver (in which case the measure of recovery is the difference between the contract price and the market price of the goods at the time that the buyer learned of the breach). In this case, there is no reprocurement -- the buyer does without the deliverable.
- Exercise the right of replevin (UCC §2-716(3)) if the seller has the deliverable but refuses to make delivery (and the buyer cannot reprocure from another source).
- Sue for specific performance (UCC §2-715(1)) if the seller refuses to perform and the buyer cannot reprocure the deliverable from any other source.

Although the FAR does not specifically address this point, the Government will probably continue to have an obligation to mitigate or reduce the damages suffered (e.g., to promptly reprocure and at a fair and reasonable price). This is a principle common to both Government and commercial contract law.

Tasks	Related Standards
15. Demand payment by the contractor for any excess costs for the reprocurement of the supplies or services and for any other amount owed the Government.	C14. Calculate reprocurement costs per FAR 49.402-6. Calculate other damages (including administrative costs) per FAR 49.402-7.
16. Prepare a memorandum of facts. Include: • A copy of the termination notice. • The documentation of the case for cause or default. • Agreements negotiated with the contractor. • The reprocurement file. • Recovery of costs from the original contractor (if any).	

Appendix 1

Default Tests

I. Terms and conditions of the contract and applicable laws and regulations at issue:
- What was breached?
- Do the facts support a finding that the contractor has breached the contract?
- Does the breach, on its face, merit the severe remedy of default?
- Has the Government met procedural requirements for proceeding with a default termination notice (e.g., issued any required notices)?
- Has the decision to default been made on the merits (i.e., free of outside influence)?
- Has the requiring activity proposed any change in the material requirement for the reprocurement (which would thereby undermine the Government's case for a default termination)?

II. Mitigating circumstances:
- Does the contractor have a good case that he/she is not at fault, based on such grounds as—
  - Impossibility of performance.
  - Excusable delay.
  - Breach by the Government.
- Does the contractor have a good case for contending that a default would be arbitrary, capricious, or retaliatory?

III. Impact on the requirement if the contractor is terminated for default:
- Have alternatives to Termination for Default been considered (FAR 49.402-4)?
- Is there any reasonable probability of meeting the requirement by continuing to work with the present contractor? If so, what would be the additional time and cost of continuing to work with present contractor?
- Is the deliverable available from other sources and, if yes, what would be the reprocurement lead time?
- What is the urgency of the need for the deliverable?
- What is the potential for recovering the Government's current investment in the contractor (e.g., any Government guaranteed loan(s), unliquidated progress payments or advance payments) and reprocurement costs? (Can the contractor afford to repay or would he/she go bankrupt?)

IV. Impact on other requirements:
- Is the contractor essential to other critical work of the Government?
- Will the contractor be able to meet other critical Government requirements if terminated for default on the instant contract(s)?

UNIT 83 TERMINATION

UNIT 84 CLOSEOUT

September 1998

Duty	Perform contract closeout.
Conditions	Given a contract at the point of closeout.
Overall Standard(s)	The contract must be physically complete, and all outstanding contract administration issues must have been resolved. Correctly dispose of records. Complete closeout within the time frames of FAR 4.804-1.

UNIT 84 CLOSEOUT

Policies

FAR	*Agency Suppl.*	*Subject*
4.804		Closeout of contract files.
4.805		Disposal of contract files.
52.237-3		Continuity of services.

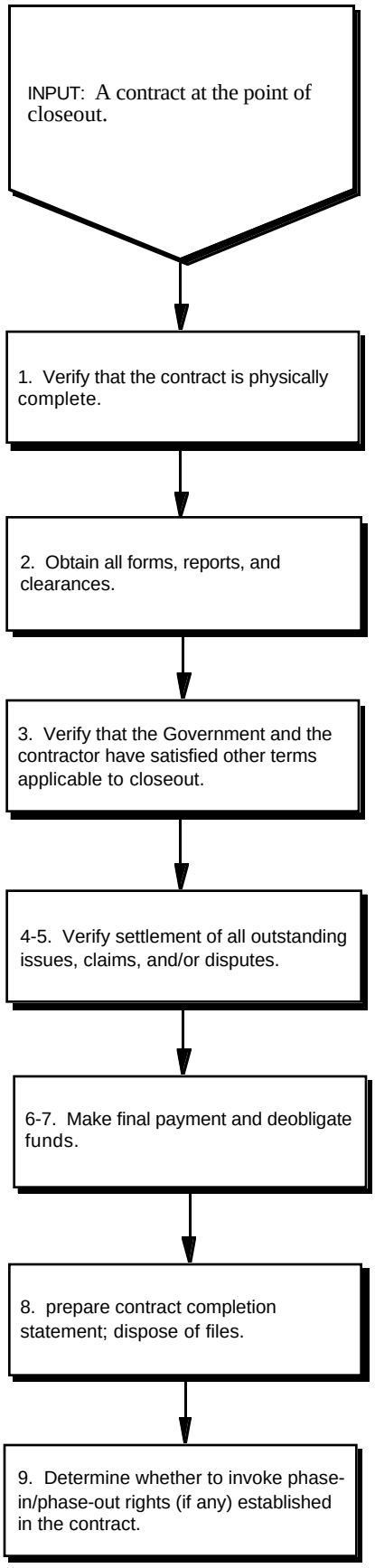
Other KSA's

1. Knowledge of procedures for the disposition of property, classified information, proprietary data, patents, and royalties.

2. Knowledge of the agency's policies on records and disposition schedule.

Other Policies and References (Annotate As Necessary):

CLOSEOUT


INPUT: A contract at the point of closeout.
1. Verify that the contract is physically complete.
2. Obtain all forms, reports, and clearances.
3. Verify that the Government and the contractor have satisfied other terms applicable to closeout.
4-5. Verify settlement of all outstanding issues, claims, and/or disputes.
6-7. Make final payment and deobligate funds.
8. prepare contract completion statement; dispose of files.
9. Determine whether to invoke phase-in/phase-out rights (if any) established in the contract.

UNIT 84 CLOSEOUT

Tasks	Related Standards
1. Verify that the contract is physically complete. Based on: • A notice of complete contract termination has been issued to the contractor, or • All required supplies have been delivered, inspected, and accepted; all required services have been performed and accepted; and all option provisions, if any, have expired).	
2. Obtain, from both the contractor and Government activities, all forms, reports, and clearances required at closeout. • Contractor's final invoice. • Contractor's closing statement and/or release of claims. • Final patent report (and clearance thereof). • Final royalty report (and clearance thereof). • Plant clearance report. • Property clearances. • Closeout audit report.	
3. Verify (per Unit 61) that both the Government and contractor have met other applicable terms and conditions for closeout. Examples: • Return or other disposition of Government furnished property). • Disposition of classified material. • Settlement by the prime of terminated subcontracts. • Procedural requirements for contract termination (see Unit 83).	
4. Settle any outstanding issues. Examples: • Unresolved value engineering change proposals. • Disallowed costs. • The final total price of a fixed price incentive contract, the award amount of an award fee contract, or the final fee of a cost plus incentive fee contract. • Contractor costs under terminated contracts (per Unit 84).	

UNIT 84 CLOSEOUT

Tasks	Related Standards
5. Verify that there are no outstanding claims or disputes (per Unit 82).	
6. Make final payment (or collect from contractor any overpayments).	6. Verify availability of funds for final payment.
7. Identify and recommend deobligation of excess funds.	
8. Prepare contract completion statement and dispose of files.	8. The contract completion statement should contain all information required by FAR 4.804-5(b). Dispose of files per FAR 4.805.
9. Determine whether to invoke the Government's rights under the clause at 52.237-3 for phase-in, phase-out services.	

UNIT 84 CLOSEOUT

Tasks	Related Standards

UNIT 85 FRAUD AND EXCLUSION

September 1998

Duty	Refer indications of fraud or other civil or criminal offenses to responsible officials.
Conditions	Given indicators that a contractor, Federal, and/or other personnel have committed fraud or other civil or criminal offenses.
Overall Standard(s)	Report all potential indicators of fraud and other civil or criminal offenses are reported. Accurately identify the responsible official(s) and report to them through proper channels.

UNIT 85 FRAUD AND EXCLUSION

Policies

FAR	*Agency Suppl.*	*Subject*
3.103-2(b)(3) and 2(b)(4)		Reporting suspected collusion.
3.104-3 3.104-11		Prohibited conduct under the Procurement Integrity Act.
3.201 and 3.203 - 204		Contractor gratuities to Government personnel.
3.3		Reports of suspected anti-trust violations.
3.4		Contingent fees.
3.502		Subcontractor kickbacks.
3.6		Contracts with Government employees.
3.7		Voiding or rescinding a contract upon final conviction for bribery, et. al.
9.4		Debarment, suspension, and ineligibility.
22.809		Enforcement of EO 11246.
49.106		Fraud related to settlement of a terminated contract
52.203-1 through 203-13		Related clauses
52.209-5		Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
52.212-4(r)		Compliance with laws relating to limitations on use of appropriated funds to influence certain Federal contracts; officials not to benefit; anti-kickbacks, and procurement integrity.
52.214-4		False statements in bids.

Other KSA's

1. Knowledge of Federal statutes and regulations that apply to contracts and types of potential violations (e.g., false statements, false claims, conspiracy to defraud, tax law violations, bribery, illegal gratuities, conflicts of interest , antitrust violations, contingent fees).

2. Knowledge of typical indicators of fraud (i.e., grounds for reasonable suspicion), such as false invoices, phantom contractors, falsification of Government furnished property records, unbalanced bidding, split purchases, etc. For indicators of antitrust violations, see FAR 3.303(c).

3. Knowledge of potential remedies and redress when contractors violate Federal statutes, in terms of the following hierarchy:

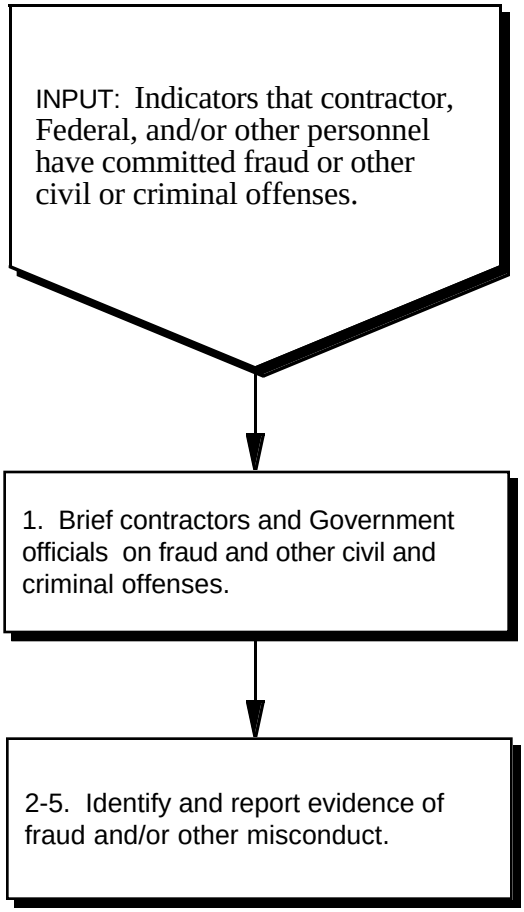
- Criminal Penalties - fines, imprisonment.
- Civil Penalties - False Claims Act, Disputes Act, Common Law Fraud, Voiding of Contract, forfeiture of claims.
- Administrative Penalties - contract termination, price reductions, debarment or suspension, withholding of funds.

4. Knowledge of indicia of affiliation (evidence acceptable in case law that one company is in fact a "front" for another)

5. Knowledge of reporting channels (e.g., IG hotlines) and responsible officials for different provisions of law and regulation.

Other Policies and References (Annotate As Necessary):

FRAUD AND EXCLUSION



UNIT 85 FRAUD AND EXCLUSION

Tasks	Related Standards
1. Brief contractors and Government representatives on Federal statutes and regulations regarding fraud and other civil or criminal offenses. • Alert contracting officer representatives (per Unit 54). • Counsel contractors as part of post-award orientations (per Unit 55).	1. Reduce the chances for violation of laws out of ignorance.
2. Monitor offeror and contractor actions (per Unit 61).	
3. Identify and report any suspicion of fraud and other civil or criminal offenses to the Inspector General (e.g., from the Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters).	3. Detect all indicators of fraud and other criminal offenses.
4. Identify other officials who have a need to know about investigations of fraud or other civil or criminal offense. • Legal counsel. • Requiring activity (after consultation with the Inspector General about what may be disclosed). • Department of Labor for labor law violations. • Contracting officer representatives.	
5. Provide additional information requested by responsible officials.	

UNIT 85 FRAUD AND EXCLUSION

Tasks	Related Standards

TAB D6

HISTORICAL NOTE

This Workbook is the product of a long-term Federal Acquisition Institute (FAI) program to improve the quality of the training and education available to Federal contracting officers and specialists. This program has proceeded through five overlapping phases.

- Analyzing contracting duties and tasks.
- Selecting tasks for training.
- Developing the Workbook.
- Establishing competency-based contracting curricula based on the Workbook
- Mandating the Workbook for educating the Federal contracting workforce.

I. Analyzing Contracting Duties And Tasks (1977-1979)

In 1979, the Federal Acquisition Institute (FAI) surveyed Federal contracting and purchasing personnel throughout the Government to collect data on tasks they perform. The survey instrument was authored by occupational analysts from the U.S. Air Force Occupational Measurement Center based on interviews with 130 employees from 20 Federal agencies.

Federal Procurement Executives in 24 Federal agencies distributed 21,610 survey forms to contract specialists (GS-1102), purchasing agents (GS-1105), and personnel in related jobs. The FAI received completed forms from 14,082 respondents, including 8,134 contract specialists (48% of the GS-1102 workforce at that time). The survey form listed 1,480 tasks and also included background questions. Respondents read all tasks, marked each task performed, and rated the relative amount of time spent on each task.

The Air Force occupational analysts processed the questionnaires, using the Comprehensive Occupational Data Analysis Program (CODAP) of the Air Force Human Resources Laboratory. The analysts generated printouts on two types of groups:

- Predetermined groups (i.e., all members of the GS-1102 series).
- Employees who perform like tasks regardless of series, grade, agency, or other such factors.

These printouts record the tasks performed by members of each grouping of employees, ranked in order of percent performing and relative time spent. The printouts also summarize responses to the background questions.

II. Selecting Tasks for Training (1980-1985).

During this period, the FAI worked with representatives of Federal Procurement Executives to select tasks for training. They reviewed data from the occupational analysis and rated tasks on various scales (i.e., learning difficulty and consequences of inadequate performance). Based on these additional data, the FAI worked with the representatives to:

- Update the task inventory to reflect changes in policy.
- Define each career path (i.e., specialization).
- Rate the training priority of tasks performed by employees in the career path.
- Organize the tasks by duty.

III. Developing the Contract Specialist Workbook (1986-1998)

Having identified tasks to be trained, in 1986 the Administrator of the General Services Administration (GSA) asked the FAI to undertake a "Governmentwide Study of Procurement Training" to determine what training, if any, was being provided in those tasks. We began by collecting instructional materials from educators throughout the Government. While many courses were good "standalones", no course was part of an integrated curriculum designed to systematically develop skill at critical tasks. Consequently, courses tended to:

- Focus on policy rather than on duties and tasks.
- Overlook a number of critical duties, especially those not covered in regulation.
- Cover certain topics redundantly from course to course, with little change in substance.
- Rely primarily on lectures, with little or no classroom application in the form of exercises that simulate task performance.
- Feature brief Instructor Guides, with too much leeway for instructors to vary the actual course content from session to session.
- Use copied or paraphrased FAR pages as a major part of their textbooks.

Given these findings, the FAI recommended that every critical contracting duty be analyzed to (1) establish instructional objectives for training the duty and (2) document the related policies, skills, and knowledge. The GSA Administrator accepted this recommendation, and the FAI began an intensive, two year program to draft a separate blueprint for training each duty. For this purpose, the FAI assembled an interagency working group of contract and instructional design specialists, including a number of specialists provided on a full-time basis by GSA. Contract specialists on the working group, with support from the instructional designers:

- Researched each duty, by reviewing related policies, training materials, job aids, etc.
- Individually drafted a blueprint for each assigned duty.
- As a committee of the whole, reviewed and rewrote the blueprints.
- Circulated initial drafts of the blueprints to contract specialists in eleven agencies.
- Circulated final drafts to an Advisory Committee of Procurement Executives headed by the GSA Associate Administrator of Acquisition Policy.

Working Group For The Governmentwide Study Of Procurement Training	
Jack Livingston, Project Director, Federal Acquisition Institute	Karen Huff, Dept. of Agriculture
Anne Alexander, GSA (Training Center)	Gayle Messick, GSA (FSS)
Juanda Barclay, GSA (IRMS)	Tom McFadden, GSA (PBS)
John Blumenstein, Federal Acquisition Institute	Michael F. Miller, Federal Acquisition Institute
Gary Craig, GSA (Training Center)	Margaret Walters, GSA (IRMS)
	Shirley Scott, GSA (Office of Acquisition Policy)

Consultants For The Governmentwide Study Of Procurement Training	
Competencies 1 through 10 Shirl Kinney and Susan Sawler, Dept. of Treasury Edward Lovett and Chris Jedrey, Dept. of Energy Gail Williams, National Aeronautic and Space Administration **Competencies 11 through 20** Jack E. Bynane and Shirley Cleaver, Dept. of the Air Force Lee Evey, National Aeronautic and Space Administration Nancy Nifong-Kerlin, Dept. of Treasury James J. Collins and Thomas A. Olsen, Dept. of Navy James Murphy, Dept. of Commerce **Competencies 31 through 40** Thomas Cooper, Veterans Administration Gwen Poteat, Dept. of Health and Human Services Robert Scott and Jill Pettibone, Defense Logistics Agency **Competencies 41 through 50** Roscoe S. Boleyn, U.S. Army Communications Electronics Command Walter J. Featheringham, Defense Logistics Agency Robert L. Penn and Jane Borden, Department of the Army	**ADPE/Telecommunications** Gerald Tuwiner, GSA (IRMS) R. A. Roman, Dept. of Navy Ed Forsee, Dept. of Interior Steve Young, Barry Sparks, and Ed Murphy, Environmental Protection Agency Linwood Davis, Dept. of Army **Construction** Thomas McFadden and Ada Rairigh, GSA (PBS) Larry Ayres, Dept. of Navy Theodore Henningsen and Edward J. East, Dept. of Army **Major Systems** Alan W. Beck and Lt. Col. Wilson Summers, Defense Systems Management College Robert Cooper, Office of Federal Procurement Policy, Office of Management and Budget Theresa Brooks, Dept. of the Air Force James J. Collins, Dept. of Navy **Small Purchases** Avis Rostron and Betty Slusher, Dept. of Interior Ron Hooper and Pat Morris, Dept. of Agriculture Diane Rawlings and Mary McGraw, National Aeronautic and Space Administration Thomas Cooper, Veterans Administration Naomi Glass, Dept. of State

In the course of preparing the Blueprints, the Working Group refined the listing of Competencies and related tasks. Some were editorial. Others resulted from changes in the law and regulations (e.g., the Competition in Contracting Act). Nonetheless, each duty is linked to the related tasks on the 1979 inventory.

The first edition of Training Blueprints was published in 1986. It included three separate volumes, corresponding to the three major procurement career fields: Contract Management (GS-1102), Small Purchases (GS-1105), and Real Property Leasing (GS-1170). The Contract Management Training Blueprints also included supplemental instructional objectives for ADP/T, construction, A&E, and systems procurement.

When the Training Blueprints were published in 1986, the FAI provided copies to Procurement Executives and requested comments. The following agencies responded.

Agency	*Respondents*
Agriculture	Frank Gearde, Jr., Director, Office of Operations, Office of the Secretary
AID	John F. Owens, Procurement Executive
Air Force	Millard J. Pippin, Deputy Chief, Contract Support Division, Directorate, Contracting and Manufacturing Policy
Army	Suellen Diduch, Procurement Analyst, Contracting Support Agency, Office of the Assistant Secretary of the Army for Research, Development, and Acquisition
Coast Guard	Linda M. Higgins, Chief, Procurement Management Division
DLA	Billy G. Williams, Chief, Contracts Division, Contracting Directorate
Education	Barry S. Bontemps, Director, Grants and Contracts Service
Energy	Stephen D. Mournighan, Director, Office of Policy Procurement and Assistance Management Directorate
FHLBB	Richard L. Petrocci, Director, Administration Office
GSA, FSS	James L. DeProspero, Assistant Commissioner for Commodity Management, Federal Supply Service
GSA, IRMS	Frank J. Carr, Commissioner, Information Resources Management Service
GSA, PBS	Brian K. Polly, Assistant Commissioner for Procurement, Public Buildings Service
GSA, Region 2	William J. Diamond, Regional Administrator
GSA, Region 3	George P. Cordes, Regional Administrator
GSA, Region 4	Donald F. Layfield, Regional Administrator
GSA, Region 5	Richard G. Austin, Regional Administrator
GSA, Region 6	John B. Platt, Regional Administrator
GSA, Region 7	David F. Godfrey, Regional Administrator
GSA, Region 9	Robert D. Eberle, Regional Administrator
HUD	Roosevelt Jones, Director, Office of Procurement and Grants
Justice	W. L. Vann, Procurement Executive
Labor	John J. Nester, Director, Office of Procurement and Grant Management
Marine Corps.	William F. Denman, Contracting Officer
NASA	S. J. Evans,
Navy	Anne Alexander, Assistant, Procurement Career Management, Naval Facilities Engineering Command
Navy	Carmen Corrado, Director, Navy Acquisition Management Training Office
OFPP	Robert P. Bedell, Administrator
Treasury	Thomas P. O'Malley, Procurement Executive
VA	H. Robert Saldivar, Director, Office of Procurement and Supply

Generally, the comments were quite favorable. However, a number of specific changes were recommended and were incorporated in the 1989 edition. Moreover, the FAI built a data base linking sections of the FAR to specific Blueprints. FAI staff then reviewed those sections of the FAR, as revised through Federal Acquisition Circular 84-46, and revised the Blueprints to reflect the language and contents of the FAR, as amended.

In 1992, we converted the blueprints into Units of Instruction for a new "Contract Specialist Workbook." The Workbook included 78 Units of Instruction, one per duty. We also added guidance to employees, managers, and educators on using the Workbook for self-development, on-the-job training, and course design, respectively.

The FAI distributed copies of the Contract Specialist Workbook to Federal Procurement Executives Governmentwide. Many Procurement Executives in turn are distributed copies to contracting activities and employees in their respective departments and agencies.

IV. Establishing Competency-Based Contracting Curricula (1988-1998)

Beginning with the original edition of the Training Blueprints, the FAI worked with the Defense schools and non-Defense agencies to establish competency-based contracting curricula. By “competency-based”, we mean curricula designed to systematically develop specified levels of skill at performing duties. In most cases, the target skill level is "application" — which means that, in the learning environment, the student must have an opportunity to practice performing each duty (or at least the most critical steps in performance) through simulations and other exercises.

The following are among the distinguishing features of such curricula:

- Each course in a curriculum builds on the skills and knowledge taught in prior courses.
- Each course covers specific duties and provides skill in performing those duties.
- Each course features a desk/reference for duties covered by the course, complete with flowcharts, steps in performance, job aids, and references to or excerpts from applicable policies. In addition, there is usually a separate student workbook for the “perishables” (e.g., copies of exercises and excerpts from policies that are consulted during the exercises).
- All student materials are written in an active "how to" voice, liberally illustrated with flowcharts, decision tables, and other such information maps.
- Each course comes with a detailed Instructor Guide. In most cases, the Instructor Guide directs the instructor to introduce each duty in turn, describing its purpose, applicable policies, standards for performance, and steps in performance. Then, students are provided an opportunity to practice the duty and making the related business decisions in-class, using case studies and other such exercises.
- Employees are given tests that measure the level of skill attained in each duty.
- Specialized courses (e.g., Construction Contracting) do not reteach the basic acquisition process, but rather concentrate on the unique regulations, procedures, and knowledge related to acquiring that type of deliverable.

Initially, the Defense schools and the FAI produced parallel contracting curricula, with the FAI releasing its versions to civilian agencies for delivery by Federal and private sector training facilities. In 1997, the FAI and the Defense Acquisition University (DAU) joined forces to create a single, Governmentwide contracting curriculum. The course outlines for that curriculum are represented in Tab D7.

V. Mandating the Workbook (1992-1996)

OFPP Policy Letter 92-3

On June 24, 1992, the Office of Federal Procurement Policy (OFPP) issued OFPP Policy Letter 92-3 to establish a Government-wide standard and associated policies for skill-based training in performing contracting and purchasing duties. Among other things, the Letter introduced the first definition of “competency-based” educational programs as being “programs that provide an opportunity for the trainee to develop and demonstrate an appropriate

level of skill (given the characteristics of the agency's overall mission) at performing a duty". An appendix to the letter established four levels of skill for use by agencies in making these decisions.

The policy letter directed agency heads, among other things, to ensure that the procurement career management program required under Section 16 of the OFPP Act (41 U.S.C. 414(4)):

- Requires personnel in the contracting occupational series (General Schedule Series 1102), and uniformed personnel in comparable positions, to complete course work and related on-the-job training necessary to attain an appropriate level of skill (given the unique missions, policies and workload of the agency) in each Contract Management duty represented by a Unit of Instruction in the FAI Contract Specialist Workbook..
- Requires civilian and uniformed personnel appointed under Section 1.6 of the Federal Acquisition Regulation (FAR) as contracting officers with authority to award or administer contracts above the small purchase threshold to complete course work and related on-the-job training necessary to attain an appropriate level of skill (given the unique missions, policies, and workload of the agency) in each Contract Management duty represented by a Unit of Instruction in the FAI Contract Specialist Workbook, or otherwise demonstrate their competence to perform those duties through alternative means.
- Provides for a system for certifying and reporting the completion of all required courses and on-the-job training.
- Directs the Senior Procurement Executive to designate a procurement career manager with authority for agency-wide policy and oversight responsibility for the procurement career management program, including authority and responsibility for working in cooperation with other agencies through the FAI to make the most effective and efficient use of existing instructional material or facilities and minimize duplication of effort in the development and delivery of training and education.

The Policy Letter also requires FAI to maintain the Contract Specialist Workbook as a Government-wide standard for the professional development of contracting personnel and distribute copies of Procurement Executives.

The Clinger-Cohen Act of 1996

This Act amended section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 405) to assign the following responsibilities (among others) to the FAI:

- Promote and coordinate Government-wide research and studies to improve the procurement process and the laws, policies, methods, regulations, procedures, and forms relating to acquisition by the executive agencies.
- Periodically analyze acquisition career fields to identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge.
- Develop instructional materials for acquisition personnel in coordination with private and public acquisition colleges and training facilities.

The Contract Specialist Workbook is the document which fulfills the statutory mandate to "identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge".

TAB D7

FAI/DAU COURSE OUTLINES

The following pages present the curriculum masterplan for the joint contracting curriculum being developed and maintained jointly by the Federal Acquisition Institute (FAI) and the Defense Acquisition University (DAU). The Office of Federal Procurement Policy (OFPP) has mandated this curriculum for all Federal contracting specialists.

Instructional Design For Contracting Duties

November, 1998

Legend

SKILL LEVELS

1 = Ability to describe the duty — what (i.e., definition and scope), when performed (i.e., circumstances and conditions), and why performed (i.e., purpose and standards for performance).

2 = Ability to (a) describe the duty and (b) detail how the duty is performed (process/flowchart, tasks, subtasks, critical decisions, decisionmaking criteria and models, software, et. al.).

3 = Ability to (a) describe the duty, (b) detail how the duty is performed, and (c) perform critical aspects of the duty under simulated conditions in a learning environment.

4 = Ability to (a) describe the duty, (b) detail how the duty is performed, and (c) perform critical aspects of the duty (or a selected task or tasks) under more complex simulated conditions in a learning environment.

INSTRUCTIONAL MODULES *(in order of appearance in the matrix . Assignment specific courses are shaded; Units covered by assignment specific courses are marked as indicated below)*

PP I = Procurement Planning I

PP I I= Procurement Planning II

Price I = Price & Cost Techniques I

Price II = Price & Cost Techniques II

PBSC = Performance Based Service Contracting (Level II Assignment Specific Course)

$ = Contract Financing Workshop (Level II Assignment Specific Course)

CF I = Contract Formation I

CF II = Contract Formation II

SB = Contracting by Sealed Bidding (Level I Assignment Specific Course)

= Parametric Pricing (Level II Assignment Specific Course)

NT I = Negotiation Techniques I

NT II = Negotiation Techniques II

CA I = Contract Administration I

CA II = Contract Administration II

CAS = Cost Accounting Standards Workshop (Level II Assignment Specific Course)

ADR = Alternate Dispute Resolution (Level II Assignment Specific Course)

OM = Overhead Management Workshop (Level II Assignment Specific Course)

TDOW = Multiple Award Task & Delivery Order Workshop (Level II Assignment Specific Course)

CE = Contracting Environment

CL = Contract Law

Grants (Level II Assignment Specific Course)

Construction (Level II Assignment Specific Course)

A&E (Level II Assignment Specific Course)

Systems Contracting (Level II Assignment Specific Course)

Contingency Contracting (Level II Assignment Specific Course)

Procurement Planning Duties

UNITS OF INSTRUCTION		Instructional Modules					
		PPI	PPII	Price I	Price II	Special	
Determination Of Need							
1	**Forecasting Requirements/Acquisition Strategy** — Collect data from requirements managers on future acquisition requirements. Advise the managers on policies and long-range strategies for enhancing competition, minimizing costs, reducing lead-times, etc. Plan and organize to meet the anticipated, aggregate requirements.	**1/2**	**3**				
2	**Acquisition Planning** — Assist managers in preparing written, formal acquisition plans.	**1**	**2/3**				
3	**Purchase Requests** — Review the purchase request (PR), obtain additional information and corrections to complete the PR, accept the PR, establish the contract file, and control data on the acquisition.	**1-3**					
4	**Funding** — Determine if sufficient, applicable funds have been committed prior to solicitation.	**1-3**	**3/4**				
5	**Market Research — Market Investigation & Early Exchanges.** Obtain data from acquisition histories and other in-office sources. Collect and compile additional market information. Determine whether and how to initiate exchanges of information with prospective offerors prior to soliciting. Coordinate and participate in early exchanges.	**1-3**	**3/4**				
Analysis of Requirement							
6	**Requirements Documents** — Review and critique proposed Requirement Documents (RDs) and SOWs. Determine (1) commerciality (e.g., whether FAR part 12 applies) and (2) whether or not to procure through Simplified Acquisition Procedures (SAP).	**1-3**	**4**			**4 PBSC**	
7	**Use of Government Property and Supply Sources** — Determine whether to furnish Government property or authorize use of Government supply sources by the contractor.	**1**	**2/3**				
8	**Services** — Screen PRs for requests to acquire personal services or advisory and assistance services. Determine whether there is sufficient justification, approvals, and legal authority to make such acquisitions. Where applicable, request Wage Determinations for incorporation in the solicitation.	**1/2**	**3/4***			**4 PBSC**	

* *Focus on advisory and assistance services.*

Procurement Planning Duties

UNITS OF INSTRUCTION		Instructional Modules					
		PPI	PPII	Price I	Price II	Special	
Extent of Competition							
9	**Sources** — Screen purchase requests against (1) required sources of supply and existing indefinite delivery contracts and agreements; (2) QBLs, QMLs, and QPLs; and (3) interagency sources. If none apply, develop and maintain an open market source list.	1-3					
10	**Competition Requirements**— When acquiring supplies or services through SAP, determine whether to solicit from only one source or a limited number of sources. Otherwise, determine whether to meet the requirement through "other than full and open competition" or after the exclusion of sources.	1-3					
10B	**Unsolicited Proposals** — Process unsolicited proposals and determine whether to noncompetitively acquire the offered services.	1/2	3/4				
11	**Set-Asides** — Determine whether the procurement will be set-aside in part or in whole for small business concerns.	1-3					
12	**8(a) Procurements** — Determine whether to obtain the supply or service under the 8(a) program and, where appropriate, award an 8(a) contract.	1/2					
Source Selection Planning							
13A	**Lease Vs. Purchase —** Determine whether to solicit for lease, purchase, or both.	1/2			3		
14	**Price Related Factors** — Identify applicable factors (e.g., multiple award, Buy American, energy efficiency, transportation, life cycle costs) for the solicitation.	1		2-3			
15	**Non-Price Factors —** Select non-price evaluation factors (if any) for award and determine how the Government will apply the factors (i.e., as go/no-go or ranking factors). Determine whether to award to the "lowest priced, technically acceptable" quote or offer or through a "trade-off analysis." Organize and brief the source selection team.	1-3	3/4				
16	**Method of Procurement or Purchasing** — If award is to be made under FAR Part 13, determine the method for soliciting quotes. (e.g., FACNET, oral, written RFQ, or electronic channels other than FACNET). Otherwise, determine whether to use sealed bidding, two-step sealed bidding, or FAR Part 15 procedures.	1/2				4 PBSC	

Procurement Planning Duties

UNITS OF INSTRUCTION		Instructional Modules					
		PPI	PPII	Price I	Price II	Special	
Solicitation Terms and Conditions							
17A	**Contract Type (Pricing Arrangement)** — Identify and solicit the type of contractual pricing arrangement (e.g., FFP, FP-EPA, FPI, FPR, CPFF, CP-AF, CPIF, et. al.) that will best mitigate and apportion expected risks.	**1-3**	**4**			**4 PBSC**	
18	**Recurring Requirements** — Determine appropriate method (if any) to solicit for currently unfunded, prospective requirements. Alternatives: Blanket Purchase Agreements, Options, Indefinite Task/Delivery Order contracts, and/or multiyear clauses (e.g., FAR 52.217-1).	**1/2**	**3/4**				
19	**Unpriced Contracts (letter contracts & unpriced purchase orders)** — Determine whether to use a letter contract; draft and issue letter contracts. Determine whether to use an unpriced order; draft and issue unpriced orders.	**1**	**2/3**				
20.1	**Contract Financing for Commercial Contracts** — Determine whether to solicit based on no buyer financing, specified buyer financing, or buyer financing as an evaluation factor.	**1**	**2**			**3/4 $**	
20.2	**Noncommercial Contract Financing** — Determine the type (if any) of Government financing to make available (e.g., progress payments, advance payments, guaranteed loans, performance-based payments, etc.).	**1**	**2/3***			**3/4 $**	
21	**Need For Bonds —** Determine whether bonds are required or necessary to protect the Government from market risks.	**1**	**2**				
22	**Method of Payment**—Determine the method of payment (i.e., electronic funds transfer, IMPAC card, traditional billing, et. al.)	**1**	**4**				
23	**Procurement Plans** — Establish milestones for solicitation, evaluation, and award tasks. Identify responsible parties and assign tasks.	**1-3**					

* *Only take Progress Payments to Level 3.*

Contract Formation Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CFI	CFII	Price I	Price II	Special	NTI & II
Solicitation Of Offers/Quotations							
24	**Publicizing Proposed Procurements** — If required, prepare and forward the CBD notice. If required, post RFQs. Select and employ any other method for publicizing the requirement.	**1-3**					
25	**Oral Solicitation** — Solicit quotes by phone or fax.	**1/2**					
26A	**RFQ Preparation** —Prepare written RFQs. Make the solicitation available to interested parties.	**1-3**	**4**				
26B	**Solicitation Preparation (IFBs for Noncommercial Contracts)** — Identify and incorporate provisions and clauses that apply to the acquisition. Assemble an Invitation for Bids (IFB). Make the solicitation available to interested parties.					**1-2 SB**	
26C	**Solicitation Preparation (RFPs for Noncommercial Contracts)** — Identify and incorporate provisions and clauses that apply to the acquisition. Assemble a Request for Proposals (RFP). Make the solicitation available to interested parties.	**1-2**	**4**				
26D	**Solicitation Preparation (Commercial)** — Identify, complete, and incorporate FAR Part 12 clauses and provisions. Incorporate other terms and conditions required for the acquisition. Identify customary commercial terms and conditions and determine which to incorporate (if any). Prepare the SF 1449 and addenda (if any) to incorporate customary commercial terms and conditions. Make the solicitation available to interested parties.	**1-3**	**4**				
17D	**Soliciting T&M/LH Contracts —** Develop terms for soliciting time and material or labor hour contracts.	**1-3**					
18E	**Establishing Agreements —** Develop terms for basic agreements and basic ordering agreements.						
17B	**Soliciting Fixed Price Contracts** — Develop terms for adjusting price when soliciting FP-EPA, FPI, FPAF, or FP-Redeterminable contracts.	**1/2***	**1-3****			**4 PBSC**	
17C	**Soliciting Cost Type Contracts** — Develop terms for adjusting the fee when soliciting CPIF or CPAF contracts.	**1/2*****	**1-3**			**4 PBSC**	

* *Only FFP and FP-EPA..*

** *Focus on fixed price contracts other than FFP & FP-EPA.*

*** *Only Fixed Fee.*

Contract Formation Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CFI	CFII	Price I	Price II	Special	NTI & II
27	**Preaward Inquiries** — Answer sensitive questions about the solicitation. Process Freedom of Information requests.	1/2					
28	**Prebid/Prequote/Preproposal Conferences** — Provide offerors with a public forum to review the site (if any), question the solicitation, and express any concerns about the solicitation.	1/2					
29A/B	**Amending Solicitations** — Determine whether there is a need to amend or cancel the solicitation. If an amendment is necessary, prepare and issue it.	1-3					
29C	**Canceling Solicitations (RFQs/RFPs)** — Cancel an RFQ/RFP.	1/2					
29D	**Canceling Solicitations (IFBs)** — Cancel an IFB before opening.					1/2 SB	
	Bid Evaluation^						
30	**Processing Bids** — Receive and control bids submitted against an Invitation for Bids. Determine whether to postpone the bid opening. Open and abstract bids.	1				1-2 SB	
31	**Bid Acceptance Periods** — Identify the acceptance period for the low bid. If award will be delayed, ask the low bidders to extend the period for accepting their bids.	1				1/2 SB	
32	**Late Offers** — Determine whether a "late" offer or quotation may be considered for award.		1			1-2 SB	
33	**Price Analysis (Sealed Bidding)** — Applying the price related factors in the IFB, identify the low bid for each potential award against the IFB. Determine the reasonableness of the lowest price bid. Select the appropriate option if the lowest price is unreasonably high (e.g., cancellation) or unreasonably low (e.g., verification of the bid).		1	2/3		1-3 SB	
34	**Responsiveness** — Determine whether the lowest bid is responsive to the terms and conditions of the IFB. Resolve minor informalities and irregularities. Reject nonresponsive bids.		1			1-2 SB	
52A	**Preaward Mistakes in Bids** — Identify potential mistakes; verify bids; resolve alleged mistakes.		1			1-2 SB	

Contract Formation Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CFI	CFII	Price I	Price II	Special	NTI & II
29C	**Canceling IFBs (After Opening)** — Determine the necessity for canceling an IFB after opening and, if necessary, effect the cancellation.		1			1/2 SB	
	Proposal/Quotation Evaluation						
35	**Processing Quotes and Proposals** — Receive and control proposals/quotes. Resolve late offers/quotes. Identify and request the services of technical and other personnel for proposal evaluation.	1/2					
36	**Applying Past Performance, Technical and Other Nonprice Factors** — Review findings and recommendations of technical personnel on (a) technical acceptability of the offer/quote, (b) technical deficiencies, and (c) the relative standing of the offers/quotes based on nonprice factors.	1-3	3/4				
37	**Price Analysis (Negotiation)—** Prior to soliciting: (1) critique the Purchase Request estimate, (2) collect price-related information when researching markets, (3) forecast likely prices, and (4) investigate potential tradeoffs between expected prices and proposed solicitation terms and conditions. After receipt of quotes/offers: Apply price related factors in the solicitation &/or offers/quotes; evaluate and compare prices. Determine the realism and reasonableness of proposed prices, make price-related decisions, and develop price-related prenegotiation objectives for discussions (if any) with vendors.	1	2	2/3	3/4	4	
38	**Pricing Information From Offerors** — Determine whether certified cost or price data are required, request the data, and obtain the certificate. Determine the need for information from offerors other than cost or pricing data.	1	2	2/3		4	
39	**Audits** — Determine whether to audit the submitted cost and pricing data or other pricing information. Obtain and review audit reports.	1	2	2/3			
40	**Cost Analysis** — Develop prenegotiation positions on proposed elements of cost and/or fee.	1	2	2/3	4*	4	
41	**Evaluating Other Terms and Conditions** -- Develop prenegotiation positions on terms and conditions other than price.	1/2	3				
42	**Award Without Discussions —** Determine whether to award without discussions; make such awards.	1-3	3/4				

* *Focus on quantitative techniques, indirect costs, and prenegotiation objectives for different contract types.*

Contract Formation Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CFI	CFII	Price I	Price II	Special	NTI & II
43	**Communications/Factfinding** — Identify and collect information from the offeror necessary to complete the Government's analysis of the proposal.	1	2				3/4
44	**Extent of Discussions (Competitive Range)** — FAR Part 15: If discussions are necessary, define the range and notify offerors outside the range. FAR Part 13: Determine necessity and extent of discussions with one or more of the quoters. Select vendors for discussions.	1-3	3/4				3/4
45	**Negotiation Strategy** — Prepare a prenegotiation plan which establishes objectives, priorities, and potential tradeoffs for discussions with the offeror/ quoter. Brief the plan and rehearse the discussions. Prepare an agenda for the discussions.	1	4			4	3/4
46	**Conducting Discussions/Negotiations** — Conduct one or more negotiation sessions and document in the contract file the principal elements of the negotiated agreement. • In a sole source situation. • As part of a competitive procurement. • As part of a post award negotiation (e.g., a contract modification).	1	4			4	3/4
	Contract Award						
52	**Preaward Mistakes in Proposals** — Identify and resolve potential mistakes (when awarding without discussions).	1-2					
47	**Debriefing** — As requested, debrief vendors.	1-3	4				
48	**Responsibility** — Determine whether the offeror meets the general and any special standards of responsibility.	1-3	4*				
49	**Subcontracting Requirements** — Where required, obtain a subcontracting plan from the offeror and negotiate improvements to it. Negotiate make or buy programs.	1/2	3/4				
77A	**Cost Accounting Standards —** Determine whether CAS applies to the entity and the type of coverage.	1	2			3 CAS	
50B	**Prepare Purchase Orders** — Select contractor. Prepare purchase orders and document award.	1-3	3/4				

* *Focus on pre-award surveys.*

Contract Formation Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CFI	CFII	Price I	Price II	Special	NTI & II
50A	**Prepare Awards (FAR Parts 14 & 15)** — Reverify funding. Make or obtain final source selection decision. Prepare contract and document the recommendation for award. Obtain approvals for awarding the contract.	1/2	3/4*				
51	**Issuing Awards and Related Notices** — Execute the contract. Notify the awardee and other parties, as required.	1/2					
47	**Debriefing** — As requested, debrief vendors.	1-3	4				
52C	**Mistakes (Postaward)** — Investigate and resolve mistakes alleged after award.	1/2	3				
53	**Protests** — Research and prepare positions on protests of the award. Respond to the protests as provided in the procedures for the forum or forums in which the protest has been filed—the agency, GAO, SBA (protests re: eligibility for set asides), or the courts. Resolve protests through ADR .	1-3	4			4 ADR	
	Initiating Work Under The Contract						
54	**Contract Administration Planning —** Review the contract and related acquisition histories. Determine the criticality of the contract. Identify key milestones. Delegate authority to CORs, COTRs, and/or ACOs.	1	1				
55	**Post-Award Orientations —** Determine whether to orient the contractor. Determine the method (phone, letter, or conference). Conduct post-award orientation conferences.	1	1				

Note: The above two Units represent the "hand-off" between Contract Formation & Contract Administration — the latter course provides the heavy duty coverage of these Units.

* *Focus on recommendation of award to a Source Selection Authority (SSA); SSA review, decision, and implementation of decision.*

Contract Administration Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CAI	CAII	Price I	Price II	Special	
Initiation of Work and Modification							
54	**Contract Administration Planning —** Review the contract and related acquisition histories. Determine the criticality of the contract. Identify key milestones. Delegate authority to CORs, COTRs, and/or ACOs.	1/2	2/3			4 PBSC	
55	**Post-Award Orientations —** Determine whether to orient the contractor. Determine the method (phone, letter, or conference). Conduct post-award orientation conferences.	1/2	3				
56A	**Consent to Subcontracts —** Determine whether consent is required under the terms and conditions of the contract. Obtain proposed subcontracts. Consent or nonconsent.	1	2/3				
56B	**Purchasing System Reviews —** Determine whether and when to review the contractor's purchasing system. Negotiate improvements and monitor implementation. Take measures to protect the Government if the purchasing system is deficient.						
56C	**Make-Or-Buy. —** Monitor compliance with make-or-buy plans.						
57	**Subcontracting Requirements —** Monitor contractor performance against subcontracting plans and other clauses regarding the placement of subcontracts with small businesses, women-owned businesses, and the like. Where necessary, invoke applicable remedies.	1	2/3				
58	**Contract Modifications (Commercial Contracts)** Determine the need for supplemental agreements. Negotiate and execute supplemental agreements.	1-3					
58	**Contract Modifications (Noncommercial Contracts) —** Review proposed modifications against the scope of work and availability of funds. Determine whether to modify the contract and the type of modification to employ. Implement the modification.	1/2	3		4*	4 VECP?	

**Pricing equitable adjustments per 1991 matrix for CON 204.*

* *Pricing equitable adjustments*

Contract Administration Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CAI	CAII	Price I	Price II	Special	
59	**Options —** Reverify the reasonableness of an option price, through a formal solicitation or market research. Determine whether to exercise the option. Notify the contractor.	**1-3**					
60	**Task and Delivery Order Contracting.** Establish task and delivery order contracts. Issue orders for supplies and services from FAR Part 8 sources. Issue orders against single award task and delivery order contracts. Order against a multiple award task or delivery order contract. Determine whether to order against the BOA; prepare and issue orders against BOAs.		**1**			**1-3** **TDOW**	
	Quality Assurance						
61	**Monitoring, Inspection, and Acceptance—** Monitor performance by contractor and Government personnel against the contract schedule. Respond to contractor requests and perform any other actions required of the contracting officer. Inform the contractor of any problems or potential breaches. Informally resolve problems. Respond to complaints by contractor employees of reprisals for disclosing substantial violations of law.	**1/3**	**3/4**				
62	**Delays —** Determine whether delay is excusable and negotiate consideration when acquiring commercial and non-commercial items.	**1/2**	**3**		**3***		
63	**Stop Work —** Determine whether to stop work; prepare and issue the stop work order. Unless the contract is terminated, initiate resumption of work and modify the contract as necessary.	**1/2**	**3**		**3****		
64	**Commercial/Simplified Acquisition Remedies —** Identify contractual remedies. Determine which remedy, if any, applies. Employ the remedy. Potential remedies include (a) rejection of nonconforming deliverables before and after acceptance, (c) rights under a warranty or guarantee clause, (d) rights under warranties of merchantability or fitness for a particular purpose, and (e) cure notices.	**1-3**	**4**				
65	**Noncommercial Remedies —** Identify contractual remedies. Determine which remedy, if any, applies. Employ the remedy. Potential remedies include (a) liquidated damages, (b) rejection of nonconforming deliverables prior to acceptance, (c) rights under a warranty or guarantee, (d) consideration for acceptance due to fraud, gross mistake, or latent defect, and (e) cure or show cause notices.	**1/2**	**3/4^**				

* *Focus on cost impact of delay*

** *Pricing equitable adjustments pursuant to a stop work order.*

^ *Level 4 for cure/show cause notices and non-conforming supplies; Level 3 for other remedies.*

Contract Administration Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CAI	CAII	Price I	Price II	Special	
83A&D	**Termination For Cause (Simplified Acquisitions/Commercial Contracts/) —** Determine the need and adequacy of the case for termination for cause. Prepare and issue the termination notice as prescribed in FAR Part 12. Considering all remedies available to any buyer in the marketplace, select and apply the appropriate remedy or remedies.	1-3	4				
83A&E	**Termination For Cause or Default (Noncommercial Contracts) —** Determine the need and adequacy of the case for default. Prepare and issue the termination notice. If bonded, obtain performance or payment from surety. Otherwise, reprocure and demand payment for the excess costs of reprocurement.		2/3				
66	**Documenting Past Performance —** Obtain performance information from the requiring activity and other Government sources. Invite contractor comments. Reconcile discrepancies between the contractor version of events with reported past performance information. Document the file.	1-3	4				
	Payment and Accounting						
67	**Invoices —** Identify withholdings and deductions. Instruct payment office.	1	2/3				
68	**Assignment of Claims —** Review requests for assignment of claims. Execute receipt of Notice of Assignment; approve release.	1	2				
69	**Administering Securities —** Administer bonds. Obtain new bonds if the surety is disqualified. Provide information on request to the surety.	1	2				
70A	**Payments Under Commercial Financing Terms and Conditions —** Monitor securities tendered by the contractor. Review requests for payments against contract terms and conditions.	1/2				3 $	
70B	**Progress Payments —** Review requests for progress payments. Monitor liquidation. Where necessary, reduce or suspend payments, adjust liquidation rates, or grant unusual progress payments.	1	2/3		3*	4 $	

* *Pricing issues related to progress payment administration.*

Contract Administration Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CAI	CAII	Price I	Price II	Special	
70C	**Performance-Based Payments —** Review requests for payments. Substantiate performance. Determine the degree to which the Government is responsible for failure to meet a scheduled event or criterion. Where necessary, reduce or suspend payments, adjust the payment schedule, or demand repayment.	1	2			3 $	
70D	**Advance Payments —** Review requests for payments. Establish the special bank account and negotiate suitable covenants. Monitor withdrawals from the bank account and interest owed the Government. Where necessary, forbid further withdrawals by the contractor. Determine the necessity of further actions (e.g., removing funds from the bank account).	1	1			2 $	
71	**Unallowable Costs —** Determine the allowability of invoiced costs. Prepare notice of intent to disallow or actual disallowance. Based on discussions with the contractor, determine whether to withdraw or sustain the notice and/or allow part of the costs.	1	2		3		
72	**Payment of Indirect Costs —** Adjust billing rates as necessary to prevent substantial overpayment or underpayment of indirect costs. Determine applicability of the quick closeout procedure and negotiate final indirect cost rates. Otherwise, obtain final indirect rates from the cognizant agency.	1	2		3	4 OM	
73	**Limitation of Costs —** If a cost reimbursement contract, determine if the contractor has exceeded 75% of the estimated cost in the Schedule. If a Time & Material or Labor Hour contract, determine if the contractor has exceeded 85% of the ceiling price . Recommend an appropriate option if the contractor will not be able to complete the work within the amount obligated.	1	2		3		
74	**Price and Fee Adjustments —** Where applicable, monitor payments and adjust billing prices. Given the economic price adjustment, incentive or award formula in the contract, establish the final fee or price (or the fee and price for the applicable period).	1	2		3		
75	**Collecting Contractor Debts —** Determine indebtedness. Identify and obtain repayment (e.g., through set-offs; demand letters). Respond to requests for deferment.	1	2/3				
19	**Letter Contracts** — Definitize the contracts. **Unpriced Purchase Orders** — Determine reasonableness of invoiced price.		2		3		

Contract Administration Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CAI	CAII	Price I	Price II	Special	
Accounting							
76	**Accounting and Estimating Systems —** Determine the need to audit a contractor's accounting or estimating system. Negotiate improvements and monitor implementation. Take measures to protect the Government if the accounting or estimating system is deficient.	1	2			3 OM	
77B	**Cost Accounting Standards —** Review Disclosure Statements. Notify contractor of noncompliance. Review proposed accounting changes. Negotiate any necessary Cost Impact Adjustments.	1	2			3 CAS	
78	**Defective Pricing —** Identify and report indicators of defective pricing. Arrange audit of the data. Determine whether the data are defective, the degree relied upon, and the downward adjustment.	1			2	3 OM	
59	**Options —** Reverify the reasonableness of an option price, through a formal solicitation or market research. Determine whether to exercise the option. Notify the contractor.	1-3					
Special Terms							
79	**Property Administration—** Establish reporting requirements. Monitor delivery of Government property. Monitor contractor property control systems and use of Government furnished property. Determine liability for damage or misuse and negotiate consideration. Recover or dispose of the property.	1	2/3		3*		
80	**Intellectual Property —** Monitor compliance with the intellectual property sections of FAR 52.212-4 in contracts for commercial items, or the Clauses in UCF §I (or equivalent clauses in other contracts) by both the contractor and Government personnel. Identify, investigate, and resolve patent-related problems. Identify, investigate, and resolve problems with data rights.	1	2				
81	**Administering Socio-Economic and Other Misc. Terms —** Enforce compliance with socio-economic contractual requirements by both the contractor and Government personnel.	1	2				
Contract Closeout or Termination							
82	**Claims —** Research claim and prepare finding of facts. Discuss claim with contractor. Prepare CO's decision. Determine whether ADR applies and participate in ADR. Otherwise, participate in appeals process.	1	2/3		4**	4 ADR	

* *Pricing property damage and disposal alternatives.*

** *Equitable Price Adjustments.*

Contract Administration Duties

UNITS OF INSTRUCTION		Instructional Modules					
		CAI	CAII	Price I	Price II	Special	
82	**Extraordinary Relief —** Determine whether relief is merited. Recommend the type and extent of relief to provide. Prepare a Memorandum of Decision. If relief is authorized, prepare and execute the contract action.		1/2				
83(B)	**Termination for Convenience —** Determine whether to terminate and the method (if any) of termination. Terminate contracts for convenience	1/2*	2/3 **		4**		
84	**Closeout —** Verify that the contract is physically complete and that other terms and conditions have been satisfied (e.g., return or disposition of Government property; disposition of classified materials). Obtain forms, reports, and clearances. Verify that there are no outstanding claims or disputes. Obtain final invoice. Prepare contract completion statement. Retain files.	1-3	4				
85	**Fraud & Exclusion.** Refer indications of fraud or other civil or criminal offenses to responsible officials.	1/2	2/3				

**Level 2 for determining the need to terminate; Level 1 for carrying out a convenience termination.*

*** Level 3 for determining the need to terminate and pricing proposed settlements (CON 231); Level 2/3 for carrying out a convenience termination under FAR 52.212-4.*

Contracting Environment, Contract Law, & Contracting Subspecializations

UNITS OF INSTRUCTION		Instructional Modules					
		CE	CL	PP II		Other II	
Contracting Environment							
0	**Goals —** Identify the goals of the Federal acquisition system. Apply the goals in making business decisions and performing acquisition duties. Assess performance of the acquisition system against those goals.	1/2					
0	**Political Environment —** Describe the major Federal organizations (Congress, OMB, the President, etc.) and their respective roles in the acquisition system.	1/2					
0	**Legal Environment** — Identify elements of a contract (e.g., consideration). Describe the law of agency. Identify the basic statutes, regulations, case law, and administrative law that define the Federal acquisition system. Identify sources of commercial terms and conditions (e.g., the Uniform Commercial Code). Research the FAR and other source documents.	1/2	3/4				
0	**Internal Environment** — Identify the acquisition-related roles and responsibilities of agency officials and offices. Describe the process for appointing contracting officers (COs) and the authority typically delegated to COs.	1/2					
0	**Ethics/Standards of Conduct** — Identify standards of conduct that apply to the acquisition of supplies and services. Recognize simulated or actual examples of prohibited activities.	1/2					
0	**Fraud & Exclusion —** Recognize indicators of fraud and other misconduct. Report such indicators to the IG, debarring officials, and/or other proper authority.	1/2	3				
Subspecialties							
	Research and Other Grants and Cooperative Agreements	1				2/4	
Con. Supp.	**Construction —** Implement procedures and administer clauses unique to contracting for construction (including design-build)	1				2/4	
A&E Supp.	**A&E —** Implement procedures and administer clauses unique to contracting for A&E services (including design-build).	1				2/4	
Sys. Supp.	**Major Systems —** Comply with the requirements of Circular A-109.	1				2/4	
	International Contracting. Agreements & Restrictions; Export Controls; Foreign Military Sales.	1				2/4	

Contracting Environment, Contract Law, & Contracting Subspecializations

UNITS OF INSTRUCTION		Instructional Modules					
		CE	CL	PP II		Other II	
DoD Unique Duties							
	Contingency Contracting	1				2/3	
	Defense Priorities — Apply the Defense priorities allocation system to expedite performance.	1					

TAB D8

FAR CROSS REFERENCE

The following pages list FAR sections and related Units of Instruction. Note that this matrix excludes sections of the FAR related to a specific type of supply or service (e.g., construction, A&E services, and the like).

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
1	**0**	Orientation. *Federal acquisition regulations system.*
1.102	**1**	Forecasting Requirements. *Acquisition system standards, goals, and strategies.*
1.4	**26**	Solicitation Preparation. *Deviations from FAR provisions and clauses.*
1.602-3	**61**	Monitoring, Inspection, & Acceptance. *Ratification of unauthorized commitments.*
1.603-3(b)	**3**	Purchase Requests. *Delegating micropurchase authority to end users.*
2.101	**0**	Orientation. *Definitions of "acquisition", "contract", "contract administration office", "contracting", "simplified acquisition procedures", "micro-purchase", "contracting activity", "contracting office", "contracting officer", "executive agency", "Federal agency", "agency head", "head of the contracting activity", "in writing", "written", "major system", "offer", "senior procurement executive", "signature", and "supplies".*
2.101	**3**	Purchase Requests. *Definitions of "micropurchase" and "simplified acquisition threshold".*
2.101	**5**	Market Research. *Definition of market research.*
2.101	**6**	Requirements Documents. *Definitions of "commercial component", "commercial item", and "nondevelopmental item".*
2.101	**15**	Non-Price Evaluation Factors. *Definition of best value.*
2.101	**60**	Task And Delivery Order Contracting. *Definitions of "task order" and "delivery order".*
3	**0**	Orientation. *Improper business practices and personal conflicts of interest (including standards of conduct and procurement integrity).*
3.103	**35**	Processing Quotes and Proposals. *Independent pricing.*
3.103 -2	**34**	Responsiveness. *Evaluating the Certificate of Independent Price Determination.*
3.103 -2	**48**	Responsibility. *Evaluating the Certificate of Independent Price Determination.*
3.103 -2(b)(3); 2(b)(4)	**85**	Fraud and Exclusion. *Reporting suspected collusion.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
3.103 -3	**60**	Task And Delivery Order Contracting. *No need for another Independent Pricing Certificate.*
3.104	**1**	Forecasting Requirements. *Safeguarding source selection and proprietary information.*
3.104	**3**	Purchase Requests. *Identification and safeguarding of source selection information.*
3.104	**15**	Non-Price Evaluation Factors. *Source selection information; control of.*
3.104	**27**	Preaward Inquiries. *Prohibition on disclosure of source selection or proprietary information.*
3.104	**35**	Processing Quotes and Proposals. *Safeguarding source selection and proprietary information.*
3.104	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Procurement integrity.*
3.104	**45**	Negotiation Strategy. *Procurement integrity—protecting source selection and proprietary information during discussions.*
3.104	**46**	Conducting Discussions/Negotiations. *Procurement integrity—protecting source selection and proprietary information during discussions.*
3.104	**50**	Preparing Awards. *Withholding award based on a possible violation of Procurement Integrity Act.*
3.104	**51**	Issuing Awards and Related Notices. *Withholding award based on a possible violation of Procurement Integrity Act.*
3.104 -3 3.104- 11	**85**	Fraud and Exclusion. *Prohibited conduct under the Procurement Integrity Act.*
3.105	**27**	Preaward Inquiries. *Disclosure protection and marking of proposal/bid information and source selection information.*
3.201; 3.203 - 204	**85**	Fraud and Exclusion. *Contractor gratuities to Government personnel.*
3.3	**85**	Fraud and Exclusion. *Reports of suspected anti-trust violations.*
3.4	**85**	Fraud and Exclusion. *Contingent fees.*
3.405	**34**	Responsiveness. *Reviewing the Contingent Fee Representation and Agreement.*
3.405	**35**	Processing Quotes and Proposals. *Contingent fee representation.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
3.406 3.407 3.409	**48**	Responsibility. *Determining whether a prospective contractor is not eligible for award when the contractor has a contingent fee arrangement with a third party.*
3.5	**40**	Cost Analysis. *Buy in pricing.*
3.501	**18**	Recurring Requirements. *Buy-in pricing.*
3.502	**85**	Fraud and Exclusion. *Subcontractor kickbacks.*
3.6	**85**	Fraud and Exclusion. *Contracts with Government employees.*
3.7	**85**	Fraud and Exclusion. *Voiding or rescinding a contract upon final conviction for bribery, et. al.*
3.9	**61**	Monitoring, Inspection, & Acceptance. *Whistleblower Protections for Contractor Employees*
4.1	**51**	Issuing Awards and Related Notices. *Contract execution.*
4.2	**51**	Issuing Awards and Related Notices. *Contract distribution.*
4.2	**58**	Contract Modifications. *Contract distribution.*
4.3	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Paper Documents — use of recycled &.or double-sided paper.*
4.403(a)	**3**	Purchase Requests. *Review for classified materials.*
4.403(c)	**55**	Post-Award Orientations. *Informing contractors of security classifications and requirements.*
4.5	**16**	Method of Procurement or Purchasing. *FACNET.*
4.6	**51**	Issuing Awards and Related Notices. *Contract reporting.*
4.6	**58**	Contract Modifications. *Contract reporting.*
4.7	**55**	Post-Award Orientations. *Contractor records retention.*
4.7	**61**	Monitoring, Inspection, & Acceptance. *Contractor records.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
4.8	**5**	Market Research. *Contract files (in terms of information that should be available for reconstructing acquisition histories).*
4.8	**54**	Contract Administration Planning. *Government contract files.*
4.802 4.803(a)	**3**	Purchase Requests. *Contracting office contract files.*
4.802 4.803(a)	**51**	Issuing Awards and Related Notices. *Contract file requirements.*
4.804	**84**	Closeout. *Closeout of contract files.*
4.805	**84**	Closeout. *Disposal of contract files.*
4.9	**51**	Issuing Awards & Related Notices. *Reporting contract information to the IRS.*
4.9	**58**	Contract Modifications. *Reporting contract information to the IRS.*
4.9	**67**	Invoices. *Reporting payment information to the IRS.*
5.001	**58**	Contract Modifications. *The publicizing requirements of Part 5 are not applicable to modifications that are within the scope and under the terms of the contract.*
5.1	**24**	Publicizing Proposed Procurements. *Dissemination of information.*
5.2	**24**	Publicizing Proposed Procurements. *Synopses (excluding section 5.204, which is covered in Unit 5)*
5.202	**58**	Contract Modifications. *No requirement to synopsize a contract action made under the terms of an existing contract that was previously synopsized in sufficient detail to comply with the requirements of 5.207 with respect to the current contract action.*
5.202	**59**	Options. *No requirement to synopsize a contract action made under the terms of an existing contract that was previously synopsized in sufficient detail to comply with the requirements of 5.207 with respect to the current contract action.*
5.203	**26**	Solicitation Preparation. *Time requirements for opening and closing dates.*
5.204 5.205	**01**	Forecasting Requirements. *Synopsis requirements for presolicitation notices.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
5.204 5.205(a)-(b)	**05**	Market Research. *Synopsis requirements for presolicitation and other advance notices.*
5.204 5.205(c)	**6**	Requirements Documents. *Synopsis requirements for presolicitation notices (e.g., pre-bid/pre-proposal conferences, meetings, and the availability of draft solicitations or draft specifications for review).*
5.207(c)(2)(xiv)	**10**	Competition Requirements. *Synopizing the intended source of a sole source procurement.*
5.3	**51**	Issuing Awards and Related Notices. *Synopsis of award.*
5.401 – 5.404	**27**	Preaward Inquiries. *Release of information.*
5.404	**1**	Forecasting Requirements. *Long-range acquisition estimates.*
5.405	**5**	Market Research. *Obtaining acquisition information from other agencies.*
5.5	**24**	Publicizing Proposed Procurements. *Paid advertising.*
6.001	**60**	Task And Delivery Order Contracting. *Part 6—Competition Requirements—not applicable to orders against indefinite delivery contracts if…*
6.001(c)	**59**	Options. *Part 6 not applicable to the exercise of priced options that were evaluated as part of the initial competition.*
6.101(b)	**1**	Forecasting Requirements. *Efficient competition.*
6.2	**10**	Competition Requirements. *Exclusion of sources.*
6.3	**6**	Requirements Documents. *Brand name or equal.*
6.3	**10**	Competition Requirements. *Other than full and open competition.*
6.301(c)	**10**	Competition Requirements. *Other than full and open competition cannot be justified on the basis of a lack of acquisition planning or concerns about funding.*
6.302-1(a)(2)(i)	**10**	Unsolicited Proposals. *Unsolicited proposals as a basis for other than full and open competition.*
6.303-2(a)(8)	**5**	Market Research. *Market research for other than full and open competition.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
6.4	**16**	Method of Procurement or Purchasing. *Criteria for selecting sealed bidding vs. negotiations.*
6.5	**10**	Competition Requirements. *Competition Advocates.*
7.1	**2**	Acquisition planning. *Acquisition plans.*
7.102	**5**	Market Research. *Requirement to conduct market research as part of acquisition planning.*
7.103(a)&(c)	**6**	Requirements Documents. *Promoting competition as an goal in preparing requirements documents.*
7.103(b)	**6**	Requirements Documents. *Encouraging offerors to supply commercial items or NDI.*
7.103(l) 7.103(q)	**5**	Market Research. *Requirements to review acquisition histories and descriptions of the supplies or services*
7.103(l)(2)	**6**	Requirements Documents. *Graphic representations of supplies.*
7.103(m)	**6**	Requirements Documents. *Promoting use of metric system of measurement in proposed acquisitions.*
7.103(n)	**6**	Requirements Documents. *Promoting the use of environmentally "friendly" and energy-efficient products and services*
7.2	**1**	Forecasting Requirements. *Economic purchase quantities.*
7.2	**5**	Market Research. *Economic purchase quantities.*
7.204(b)	**29**	Amending/Canceling Solicitations. *Amending or canceling solicitations based on responses to the provision at 52.207-4, Economic Purchase Quantity—Supplies.*
7.3	**1**	Forecasting Requirements. *Contractor vs. Government performance.*
7.302(d)	**45**	Negotiation Strategy. *Cost Comparisons — may be initiated because commercial prices appear unreasonable*
7.306	**50**	Preparing Awards. *Awards under cost comparison procedures.*
7.306(a)(1)	**30**	Processing Bids. *Opening the Government sealed cost-comparison form.*
7.306(a)(4) 7.306(b)	**51**	Issuing Awards and Related Notices. *Announcing the results of cost comparisons.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
7.4	**13**	Lease Vs. Purchase *Equipment Lease Or Purchase.*
7.403	**5**	Market Research. *GSA assistance.*
7.5	**8**	Services. *Inherently Governmental functions.*
8.000 – 8.003	**9**	Sources. *Priorities for use of Government supply sources; use of other Government supply sources.*
8.1	**9**	Sources. *Excess Personal Property*
8.4	**60**	Task And Delivery Order Contracting. *Ordering from the Federal Supply Schedules.*
8.404(b)(4)	**18**	Recurring Requirements. *Establishing Federal Supply Schedule BPAs.*
8.405-3	**61**	Monitoring, Inspection, & Acceptance. *Inspection of items acquired through the Federal Supply Schedule program.*
8.405-4	**64**	Commercial/Simplified Acquisition Remedies. *Remedies for problems with Federal Supply Schedule contractors.*
8.405-4 *through* 405-6	**83**	Termination. *Terminating FSS orders.*
8.405-7	**82**	Claims. *Disputes under a Federal Supply Schedule.*
8.5	**9**	Sources. *Acquisition of Helium*
8.601-8.603	**9**	Sources. *Determining whether to order from Federal Prison Industries (FPI), Inc.*
8.604	**60**	Task And Delivery Order Contracting. *Ordering from Federal Prison Industries.*
8.605(c)	**60**	Task And Delivery Order Contracting. *Ordering from Federal Prison Industries.*
8.605(c)	**61**	Monitoring, Inspection, & Acceptance. *Disputes regarding price, quality, character, or suitability of supplies produced by FPI, Inc.*
8.605(c)	**82**	Claims. *Disputes regarding price, quality, character, or suitability of supplies produced by FPI, Inc.*
8.7	**61**	Monitoring, Inspection, & Acceptance. *Inspection and acceptance of items ordered from JWOD participating nonprofit agencies; resolving problems with the orders.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
8.700 – 8.704	**9**	Sources. *Determining whether to order from JWOD participating nonprofit agencies.*
8.705	**60**	Task And Delivery Order Contracting. *Ordering from JWOD participating nonprofit agencies.*
8.706	**9**	Sources. *Purchase Exceptions (from use of JWOD participating nonprofit agencies)*
8.707 - 712	**60**	Task And Delivery Order Contracting. *Ordering from JWOD participating nonprofit agencies.*
8.708(c)	**62**	Delays. *Resolving delays pursuant to orders from JWOD participating nonprofit agencies.*
8.709	**67**	Invoices. *Payment against invoices from workshops for the Blind and Other Severely Handicapped and from the Federal Prison Industries, Inc.*
8.713	**9**	Sources. *Optional acquisition of supplies and services from JWOD participating nonprofit agencies.*
8.715	**9**	Sources. *Replacement commodities.*
8.8	**9**	Sources. *Acquisition of Government printing and related supplies.*
8.9	**9**	Sources. *Mandatory Governmentwide Financial Management Systems Software (FMSS) program*
9.1	**48**	Responsibility. *Policies on responsibility, including the general and special standards of responsibility.*
9.104-2	**9**	Sources. *Special standards of responsibility.*
9.104-2	**15**	Non-Price Evaluation Factors. *Special standards of responsibility.*
9.105-1	**76**	Accounting and Estimating Systems. *Preaward surveys of accounting systems.*
9.105-3	**27**	Preaward Inquiries. *Prohibition against disclosing data on a firm's responsibility.*
9.2	**9**	Sources. *Qualification requirements.*
9.3	**6**	Requirements Documents. *First article testing.*
9.307	**61**	Monitoring, Inspection, & Acceptance. *First article testing*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
9.4	**85**	Fraud and Exclusion. *Debarment, suspension, and ineligibility.*
9.400-405	**48**	Responsibility. *No award to excluded parties.*
9.402(a)	**56**	Consent To Subcontracts & Purchasing System Reviews. *Restrictions on consenting to subcontracts with excluded firms.*
9.403	**66**	Documenting Past Performance. *Definition of "unfair trade practice".*
9.405(c)	**21**	Need for Bonds. *No debarred sureties.*
9.405(c)	**69**	Administering Securities. *No debarred sureties.*
9.405-1	**83**	Termination. *Continuation of a current contract with a debarred or suspended firm.*
9.405-1(c)	**58**	Contract Modifications. *No extension of a contract's duration with suspended or debarred contractors.*
9.405-1(c)	**59**	Options. *No extension of a contract's duration with suspended or debarred contractors.*
9.405-2	**56**	Consent To Subcontracts & Purchasing System Reviews. *Restrictions on consenting to subcontracts with excluded firms.*
9.406-2(b)	**66**	Documenting Past Performance. *Debarment based on malperformance under a contract.*
9.408	**48**	Responsibility. *No award to excluded parties.*
9.5	**8**	Services. *Organizational conflicts of interest.*
9.6	**48**	Responsibility. *Evaluating proposed contractor team arrangements.*
9.7	**48**	Responsibility. *Evaluating proposed pooling arrangements.*
10	**5**	Market Research. *FAR Part on market research*
11	**6**	Requirements Documents. *Describing Agency Needs.*
11.002	**5**	Market Research. *Specifying needs using market research.*
11.002(b)	**6**	Requirements Documents. *Promoting use of metric system of measurement in proposed acquisitions.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
11.002(d)	**6**	Requirements Documents. *Promoting the use of environmentally "friendly" and energy-efficient products and services*
11.105	**8**	Services. *Purchase descriptions for service contracts.*
11.203	**27**	Preaward Inquiries. *Providing industry with an opportunity to comment on requirements documents.*
11.5	**65**	Remedies (Noncommercial). *Liquidated damages.*
11.7	**65**	Remedies (Noncommercial). *Variations in quantity—resolution of.*
11.801	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Preaward in-use evaluation.*
12.101	**5**	Market Research. *Market research to determine whether commercial or non-developmental items are available.*
12.102	**6**	Requirements Documents. *Criteria for determining applicability of FAR Part 12..*
12.201	**6**	Requirements Documents. *Impact of decision on applicability of FAR Part 12.*
12.202	**6**	Requirements Documents. *Describing the need in solicitations of offers or quotes for commercial items under FAR Part 12.*
12.203	**6**	Requirements Documents. *Impact of decision on applicability of FAR Part 12.*
12.204	**26**	Solicitation Preparation. *SF 1449; allowing fewer than 15 days before issuance of the solicitation.*
12.205(a) &(b)	**15**	Non-Price Evaluation Factors. *Use of commercial product information in evaluating offers (rather than requiring submission of technical information); allowing proposals of alternative commercial products).*
12.205(c)	**26**	Solicitation Preparation. *Allowing fewer than 30 days response time for receipt of offers for commercial items.*
12.206	**15**	Non-Price Evaluation Factors. *Use of past performance as an evaluation factor when acquiring commercial items.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
12.207	**17**	Contract Types — Pricing Arrangements. *Types of contracts for commercial items.*
12.208	**61**	Monitoring, Inspection, & Acceptance. *Contract quality assurance and acceptance (contracts for commercial items).*
12.208	**64**	Commercial/Simplified Acquisition Remedies. *Contract quality assurance.*
12.209	**37**	Price Analysis (Negotiation). *Using the policies and procedures in FAR Subpart 15.4 to establish the reasonableness of prices when negotiating contracts for commercial items.*
12.210	**20-1**	Commercial Financing. *Offering Government financing when the customary market practice includes buyer contract financing.*
12.211 - 212	**80**	Intellectual Property. *Technical data rights in FAR Part 12 contracts; software licensing.*
12.213	**64**	Commercial/Simplified Acquisition Remedies. *Incorporating other remedies which are considered customary commercial practice.*
12.214	**77**	Cost Accounting Standards. *CAS applicability to fixed-price with economic price adjustment contracts and subcontracts for commercial items when the price adjustment is based on actual costs incurred.*
12.3	**26**	Solicitation Preparation. *Solicitation provisions and contract clauses for the acquisition of commercial items.*
12.302	**64**	Commercial/Simplified Acquisition Remedies. *Incorporating other remedies which are considered customary commercial practice.*
12.302(b)	**67**	Invoices. *NO tailoring of the terms and conditions of FAR clause 52.212-4 with respect to assignment, payment, and invoices.*
12.402	**61**	Monitoring, Inspection, & Acceptance. *Contract quality assurance and acceptance (contracts for commercial items).*
12.402	**64**	Commercial/Simplified Acquisition Remedies. *Acceptance.*
12.403	**64**	Commercial/Simplified Acquisition Remedies. *Termination for cause.*
12.403	**83**	Termination. *Terminating contracts for commercial items.*
12.403(c)	**62**	Delays. *Requirement that contractors notify the Government of excusable delays.*
12.404	**64**	Commercial/Simplified Acquisition Remedies. *Warranties.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
12.503	**64**	Commercial/Simplified Acquisition Remedies. *Inapplicable laws (i.e., inapplicable remedies).*
12.602	**15**	Non-Price Evaluation Factors. *Streamlined evaluation of offers.*
12.603	**26**	Solicitation Preparation. *Combined CBD synopsis/solicitation*
13.001	**22**	Method of Payment. *Definitions of Government commercial purchase cards and third party drafts.*
13.001	**50**	Preparing Awards. *Definition of Purchase Order.*
13.002	**0**	Orientation. *Purpose of simplified acquisition.*
13.003(a)	**6**	Requirements Documents. *Preference for use of simplified purchasing procedures under SAT.*
13.003(a)	**9**	Sources. *Ordering from required sources under SAT.*
13.003(a)	**60**	Task And Delivery Order Contracting. *Requirements of FAR Part 13 not applicable to ordering against Federal Supply Schedules, other FAR Part 8 sources, and indefinite delivery contracts.*
13.003(b)(1)	**11**	Set-Asides *Reservation of requirements exceeding the micropurchase threshold but within SAT exclusively for small business concerns.*
13.003(b)(2)	**25**	Oral Solicitation. *Conveying FAR Part 19 provisions during oral solicitations.*
13.003(d)	**3**	Purchase Requests. *No splitting requirements.*
13.003(e)	**8**	Services. *Acquiring personal services under SAT.*
13.003(f) & (g)	**22**	Method of Payment. *Permission for use purchase cards to pay vendors above the micropurchase threshold.*
13.003(g)	**16**	Method of Procurement or Purchasing. *Preference for use of Governmentwide certified Electronic Data Interchange Systems (EDIS) to solicit quotes.*
13.003(h)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Authority to use procedures in FAR Part 15.*
13.004	**26**	Solicitation Preparation. *Legal effect of quotations*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
13.004	**50**	Preparing Awards. *Legal affect of quotations.*
13.006	**26**	Solicitation Preparation. *Inapplicable provisions and clauses.*
13.101(a)	**67**	Invoices. *Using United States-owned excess or near-excess foreign currency, if appropriate, in making payments under simplified acquisition procedures.*
13.101(a)	**1**	Forecasting Requirements. *Economic purchase quantities when planning simplified acquisitions.*
13.101(a)	**48**	Responsibility. *Satisfying the procedures described in Subpart 19.6 with respect to Certificates of Competency before rejecting a quotation, oral or written, from a small business concern determined to be nonresponsible.*
13.101(a)	**61**	Monitoring, Inspection, & Acceptance. *Providing for the inspection of supplies or services as prescribed in 46.404.*
13.101(b)	**14**	Price Related Factors *Multiple awards in simplified acquisition*; *prohibition against using prompt payment discounts in evaluating quotes.*
13.101(b)	**37**	Price Analysis (Negotiation). *Multiple awards in simplified acquisition; trade discounts; prohibition against using prompt payment discounts in evaluating quotes.*
13.101(b)(2)	**26**	Solicitation Preparation. *Incorporating by reference.*
13.102	**9**	Sources. *Source lists.*
13.102	**11**	Set-Asides *Purpose of SAP in part to improve opportunities for small business and small disadvantaged business concerns to obtain a fair proportion of Government contracts.*
13.103	**14**	Price Related Factors *Standing price quotations.*
13.103	**18**	Recurring Requirements. *Standing price quotations.*
13.103(d)	**3**	Purchase Requests. *Relationship between SAT and use of FAR Part 13 procedures.*
13.104	**10**	Competition Requirements. *Competition requirements for actions under FAR Part 13 above the Micropurchase threshold (including documentation requirements).*
13.104	**24**	Publicizing Proposed Procurements. *Soliciting to attain maximum practicable competition (at least 3 sources absent a requirement for nationwide publicity; prohibitions on personal preference and restricting the solicitation to suppliers of well-known and widely distributed makes or brands.)*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
13.105	**24**	Publicizing Proposed Procurements. *Public display and synopsis requirements.*
13.105	**26**	Solicitation Preparation. *Use of the combined synopsis/solicitation when acquiring commercial items through FAR Part 13 procedures.*
13.106-1	**10**	Competition Requirements. *Competition requirements for actions under FAR Part 13 above the Micropurchase threshold (including documentation requirements).*
13.106-1	**16**	Method of Procurement or Purchasing. *Solicitation methods for purchases over the micropurchase threshold.*
13.106-1	**18**	Recurring Requirements. *Options under SAP.*
13.106-1	**24**	Publicizing Proposed Procurements. *Soliciting competition for contract actions under SAT.*
13.106-1(a)(2)	**14**	Price Related Factors *Price-related factors in simplified acquisition.*
13.106-1(a)(2)	**15**	Non-Price Evaluation Factors. *Use of non-price factors in simplified acquisition.*
13.106-1(c)	**25**	Oral Solicitation. *Preference for oral solicitation (and limits on its use).*
13.106-1(d)	**26**	Solicitation Preparation. *Written solicitations.*
13.106-2	**44**	Extent Of Discussions (Competitive Range). *Competitive range determinations and maximum practicable competition in determining the extent of discussions when using simplified acquisition procedures.*
13.106-2(a)(1)	**14**	Price Related Factors *Transportation costs as a factor.*
13.106-2(a)(1)	**37**	Price Analysis (Negotiation). *Transportation costs as a factor.*
13.106-2(b)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Evaluating quotes.*
13.106-2(c)	**51**	Issuing Awards and Related Notices. *Award under SAT.*
13.106-2(c)(3)	**47**	Debriefing. *Debriefings under SAT*
13.106-3	**10**	Competition Requirements. *Competition requirements for actions under FAR Part 13 above the Micropurchase threshold (including documentation requirements).*
13.106-3	**50**	Preparing Awards. *Award and documentation of simplified acquisitions.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
13.106-3(b)(3)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Documenting the file to support the award decision if other than price-related factors were considered in selecting the supplier.*
13.202	**10**	Competition Requirements. *Competition requirements for micropurchases.*
13.302	**50**	Preparing Awards. *Purchase orders.*
13.302-1(a)	**17**	Contract Types — Pricing Arrangements. *Generally use firm fixed price contracts under SAT (but Part 16 no longer includes the prohibition on using other types of contracts under SAT).*
13.302-2	**19**	Unpriced Contracts. *Unpriced purchase orders.*
13.302-3(a)	**26**	Solicitation Preparation. *Requiring written acceptance of purchase orders.*
13.302-5	**26**	Solicitation Preparation. *Clauses*
13.303	**18**	Recurring Requirements. *Blanket Purchase Agreements.*
13.305	**22**	Method of Payment. *Prohibition on use of third party drafts above micropurchase threshold absent authority from Treasury.*
13.4	**22**	Method of Payment. *Fast Payment Procedures*
13.4	**67**	Invoices. *Fast payment procedures.*
13.5	**6**	Requirements Documents. *Use of SAP for commercial acquisitions at or below $5 million.*
13.5	**10**	Competition Requirements. *Competition requirements for actions under FAR Part 13 above the Micropurchase threshold (including documentation requirements).*
13.5	**16**	Method of Procurement or Purchasing. *Use of SAP for commercial acquisitions at or below $5 million.*
14.101 *through* 14.10.	**0**	Orientation. *Elements of sealed bidding.*
14.103-1(a)	**16**	Method of Procurement or Purchasing. *Requirement to use sealed bidding whenever the conditions in 6.401(a) are met.*
14.103-2	**34**	Responsiveness. *Award only to responsive bids.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
14.103-2	**50**	Preparing Awards. *Limitations on awarding as a result of sealed bidding.*
14.104	**17**	Contract Types — Pricing Arrangements. *Types of contracts for sealed bidding.*
14.201	**26**	Solicitation Preparation. *Uniform Contract Format, Simplified Contract Format, and related forms.*
14.201-1(c)	**50**	Preparing Awards. *Instructions on preparing and awarding contracts.*
14.201-8	**14**	Price Related Factors *Price-related factors in sealed bidding.*
14.201-8	**33**	Price Analysis (Sealed Bidding). *Price-Related Factors*
14.202	**26**	Solicitation Preparation. *General instructions on IFBs and RFPs.*
14.202-4	**16**	Method of Procurement or Purchasing. *Bid samples and descriptive literature.*
14.202-4	**16**	Method of Procurement or Purchasing. *Bid samples and descriptive literature.*
14.202-4	**34**	Responsiveness. *Bid samples.*
14.202-5	**34**	Responsiveness. *Descriptive literature.*
14.203	**24**	Publicizing Proposed Procurements. *Methods of soliciting bids (e.g., mailing or delivery; dissemination).*
14.203-3	**26**	Solicitation Preparation. *Master solicitations.*
14.204	**9**	Sources. *Source lists.*
14.204	**30**	Processing Bids. *Records of bids.*
14.205	**9**	Sources. *Source lists.*
14.205-1(d)	**5**	Market Research. *Solicitation mailing list applications.*
14.207	**28**	Prequote/Prebid/Preproposal Conference. *Pre-bid conferences.*
14.208	**29**	Amending/Canceling Solicitations. *Amendment of IFBs.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
14.209	**29**	Amending/Canceling Solicitations. *Cancellation of IFBs before opening.*
14.211	**3**	Purchase Requests. *Presolicitation disclosure of data on purchase requests.*
14.211(a)	**24**	Publicizing Proposed Procurements. *Release of information prior to soliciting.*
14.211(b)	**27**	Preaward Inquiries. *Release of acquisition information after solicitation.*
14.212	**1**	Forecasting Requirements. *Economic purchase quantities pursuant to feedback from sealed bidding.*
14.213	**26**	Solicitation Preparation. *Annual reps and certs.*
14.301	**34**	Responsiveness. *Responsiveness of bids.*
14.302	**30**	Processing Bids. *Bid submission.*
14.303	**30**	Processing Bids. *Modification or withdrawal of bids.*
14.304	**32**	Late Offers. *Late bids, late modifications of bids, or late withdrawal of bids.*
14.401	**27**	Preaward Inquiries. *Receipt and safeguarding of bids.*
14.401	**30**	Processing Bids. *Receipt and safeguarding of bids.*
14.402	**30**	Processing Bids. *Opening bids.*
14.403	**30**	Processing Bids. *Recording of bids.*
14.404-1	**29**	Amending/Canceling Solicitations. *Cancellation after opening.*
14.404-1(c)	**50**	Preparing Awards. *Rejecting all offers.*
14.404-1(d)	**31**	Bid Acceptance Periods. *Extension of bid acceptance times.*
14.404-2	**34**	Responsiveness. *Rejection of individual bids.*
14.404-2(f)-(g)	**33**	Price Analysis (Sealed Bidding). *Rejection of bids unreasonable as to price.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
14.404-2(g) 14.404-2(h) 14.404-2(k)	**48**	Responsibility. *Rejecting bids from nonresponsible bidders.*
14.404-2(k)	**50**	Preparing Awards. *Documenting bid rejections.*
14.404-3	**29**	Amending/Canceling Solicitations. *Rejecting all bids.*
14.404-4	**30**	Processing Bids. *Restrictions on disclosure of descriptive literature.*
14.404-4	**34**	Responsiveness. *Descriptive literature.*
14.404-5	**34**	Responsiveness. *All or none qualifications may be considered responsive.*
14.405	**34**	Responsiveness. *Minor informalities or irregularities in bids.*
14.406	**34**	Responsiveness. *Receipt of an unreadable electronic bid.*
14.406-6	**33**	Price Analysis (Sealed Bidding). *Equal low bids.*
14.407	**52**	Mistakes In Offers. *Mistakes in bids.*
14.407-2	**50**	Preparing Awards. *Limitations on awarding as a result of sealed bidding.*
14.407-3	**33**	Price Analysis (Sealed Bidding). *Verifying the reasonableness of unexpectedly low bids.*
14.408	**51**	Issuing Awards and Related Notices. *Award in sealed bidding.*
14.408-1	**50**	Preparing Awards. *Instructions on preparing and awarding contracts.*
14.408-1(b)	**50**	Preparing Awards. *Procedures when less than 3 bids were received.*
14.408-1(c)(5)	**50**	Preparing Awards. *Documentation of award.*
14.408-2	**33**	Price Analysis (Sealed Bidding). *Reasonableness of price; use of price analysis techniques in §15.404-1.*
14.408-3	**33**	Price Analysis (Sealed Bidding). *Prompt payment discounts.*
14.408-4	**33**	Price Analysis (Sealed Bidding). *Economic price adjustments.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
14.409	**51**	Issuing Awards and Related Notices. *Information to bidders.*
14.5	**16**	Method of Procurement or Purchasing. *Two-step sealed bidding.*
15.101 *through* 15.102	**0**	Orientation. *Definition of negotiation.*
15.101	**14**	Price Related Factors *Evaluation factors in negotiations.*
15.102	**16**	Method of Procurement or Purchasing. *Oral Presentations.*
15.102	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Oral Presentations.*
15.200	**26**	Solicitation Preparation. *General instructions on IFBs and RFPs.*
15.201	**3**	Purchase Requests. *Exchange with industry before receipt of proposals.*
15.201	**5**	Market Research. *Exchanges with industry before receipt of proposals.*
15.201	**15**	Non-Price Evaluation Factors. *Controls on early exchanges by members of source selection panels.*
15.201	**24**	Publicizing Proposed Procurements. *Release of information prior to soliciting.*
15.201	**27**	Preaward Inquiries. *Exchanges with industry before receipt of proposals.*
15.201	**28**	Prequote/Prebid/Preproposal Conference. *Exchanges with industry before receipt of proposals*
15.201(f)	**46**	Conducting Discussions/Negotiations. *Restrictions on communications before receipt of proposals*
15.202	**5**	Market Research. *Advisory multi-step process.*
15.203	**26**	Solicitation Preparation. *Requests for Proposals (RFPs).*
15.203(f)	**25**	Oral Solicitation. *Oral RFPs.*
15.204	**26**	Solicitation Preparation. *Uniform Contract Format, Simplified Contract Format, and related forms.*
15.205	**26**	Solicitation Preparation. *Issuing solicitations.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
15.205(b)	**26**	Solicitation Preparation. *Master solicitations.*
15.206	**29**	Amending/Canceling Solicitations. *Amending & canceling RFPs before closing date.*
15.207	**35**	Processing Quotes and Proposals. *Handling proposals and information*
15.207	**45**	Negotiation Strategy. *Restrictions on disclosure of the contents of proposals.*
15.208	**27**	Preaward Inquiries. *Proposal submission.*
15.208	**32**	Late Offers. *Late proposals and modifications.*
15.208	**35**	Processing Quotes and Proposals. *Submission, modification, revision, and withdrawal of proposals*
15.209 - 210	**26**	Solicitation Preparation. *Solicitation provisions, contract clauses, and forms.*
15.301	**46**	Conducting Discussions/Negotiations. *Definitions of "deficiency" and "weakness".*
15.302	**15**	Non-Price Evaluation Factors. *Source selection Objective.*
15.303	**15**	Non-Price Evaluation Factors. *Responsibilities; organizing the source selection team.*
15.303(b)	**35**	Processing Quotes and Proposals. *Selection of personnel to review and advise on proposals.*
15.303(c)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *CO's responsibility to control exchanges after receipt of proposals.*
15.303(c)	**46**	Conducting Discussions/Negotiations. *CO's responsibility to control exchanges after receipt of proposals.*
15.304	**14**	Price Related Factors *Evaluation factors in negotiations.*
15.304	**15**	Non-Price Evaluation Factors. *Evaluation factors and significant subfactors.*
15.305	**15**	Non-Price Evaluation Factors. *Planning for proposal evaluation.*
15.305(a)(1)	**37**	Price Analysis (Negotiation). *Role of price and cost analysis in evaluating the reasonableness and realism of proposals.*
15.305(a)(1)	**40**	Cost Analysis. *Role of price and cost analysis in evaluating the reasonableness and realism of proposals.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
15.305(a)(2)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Past performance evaluation.*
15.305(a)(3)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Technical evaluation.*
15.305(b)	**50**	Preparing Awards. *Rejecting all offers.*
15.306	**35**	Processing Quotes and Proposals. *Exchanges with offerors after receipt of proposals.*
15.306	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Exchanges with offerors after receipt of proposals.*
15.306(a)	**42**	Award Without Discussions. *Clarifications and award without discussions.*
15.306(a)(3)	**37**	Price Analysis (Negotiation). *Need for discussions.*
15.306(b)	**43**	Communications/Factfinding. *Communications with offerors before establishment of the competitive range.*
15.306(c)	**37**	Price Analysis (Negotiation). *Price as a factor in determining the competitive range.*
15.306(c)	**44**	Extent Of Discussions (Competitive Range). *Competitive range.*
15.306(d)	**45**	Negotiation Strategy. *Discussions.*
15.306(d)	**46**	Conducting Discussions/Negotiations. *Exchanges with offerors after establishment of the competitive range.*
15.306(d)(3)	**52**	Mistakes In Offers. *Disclosure of mistakes before awards.*
15.306(e)	**45**	Negotiation Strategy. *Restrictions on disclosure of the contents of proposals.*
15.307	**46**	Conducting Discussions/Negotiations. *Proposal revisions.*
15.308	**46**	Conducting Discussions/Negotiations. *Source selection decision (including documentation requirements).*
15.308	**50**	Preparing Awards. *Source selection decision.*
15.401	**37**	Price Analysis (Negotiation). *Definition of information other than cost or pricing data; & the term "price".*
15.401	**38**	Pricing Information From Offerors. *Definitions.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
15.401	**40**	Cost Analysis. *Definitions.*
15.402	**37**	Price Analysis (Negotiation). *Pricing policy – order of precedence in requesting information to support price and cost analysis.*
15.402	**38**	Pricing Information From Offerors. *Pricing policy – order of precedence in requesting information to support price and cost analysis.*
15.403-1 & 403-2	**38**	Pricing Information From Offerors. *Prohibitions re: obtaining cost or pricing data.*
15.403-3	**38**	Pricing Information From Offerors. *Requiring information other than cost or pricing data*
15.403-4	**38**	Pricing Information From Offerors. *Requirements for cost or pricing data.*
15.403-5	**38**	Pricing Information From Offerors. *Instructions for submitting cost or pricing data or information other than cost or pricing data.*
15.403-5	**39**	Audits. *Instructions for submission of pricing information -- requirements for preaward or postaward access to records.*
15.404-1(a)	**37**	Price Analysis (Negotiation). *Purpose and role of price analysis.*
15.404-1(a)	**40**	Cost Analysis. *Objective of cost analysis and required use of cost analysis.*
15.404-1(b)	**37**	Price Analysis (Negotiation). *Price analysis defined; price analysis techniques.*
15.404-1(b)	**45**	Negotiation Strategy. *Price Analysis*
15.404-1(c)	**40**	Cost Analysis. *Cost analysis.*
15.404-1(d)	**40**	Cost Analysis. *Cost realism analysis.*
15.404-1(e)	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Technical analysis.*
15.404-1(f)	**37**	Price Analysis (Negotiation). *Unit prices – policies on establishing.*
15.404-1(f)	**40**	Cost Analysis. *Unit prices—integrity thereof.*
15.404-1(g)	**33**	Price Analysis (Sealed Bidding). *Unbalanced pricing.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
15.404-1(g)	**37**	Price Analysis (Negotiation). *Unbalanced pricing.*
15.404-2	**39**	Audits. *Field pricing & audit support.*
15.404-2	**76**	Accounting and Estimating Systems. *Field pricing reports.*
15.404-3	**37**	Price Analysis (Negotiation). *Requiring submission of information other than cost or pricing data to support price analysis.*
15.404-3	**38**	Pricing Information From Offerors. *Subcontract pricing considerations.*
15.404-3	**40**	Cost Analysis. *Subcontract pricing considerations.*
15.404-3	**56**	Consent To Subcontracts & Purchasing System Reviews. *Contractors required to perform price or cost analysis for all significant proposed subcontracts and purchase orders.*
15.404-4	**40**	Cost Analysis. *Profit.*
15.404-4(c)	**46**	Conducting Discussions/Negotiations. *Do not agree on profit or fee without concurrent agreement on cost and type of contract.*
15.405	**37**	Price Analysis (Negotiation). *Price negotiation.*
15.405	**40**	Cost Analysis. *Negotiation goals.*
15.405	**45**	Negotiation Strategy. *Additional guidance on negotiating against cost and price objectives.*
15.405(a)	**39**	Audits. *Requirement to adopt audit recommendations or explain why not.*
15.405(b)	**41**	Evaluating Other Terms and Conditions. *Relationship between the negotiation of a contract type and the negotiation of the price.*
15.405(c)	**46**	Conducting Discussions/Negotiations. *Price negotiation.*
15.406-1	**37**	Price Analysis (Negotiation). *Prenegotiation price objectives, including factfinding where necessary to establish such objectives.*
15.406-1	**40**	Cost Analysis. *Prenegotiation objectives.*
15.406-1	**41**	Evaluating Other Terms and Conditions. *Prenengotiation objectives.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
15.406-1(a)	**39**	Audits. *Requirement to consider audit input.*
15.406-1(a)	**43**	Communications/Factfinding. *Factfinding as a basis for determining prenegotiation objectives.*
15.406-2	**38**	Pricing Information From Offerors. *Certificates of current cost and pricing data.*
15.406-3	**39**	Audits. *Requirements for documenting audit use and providing feedback to the auditor.*
15.406-3	**46**	Conducting Discussions/Negotiations. *Documenting the negotiation.*
15.407-1	**78**	Defective Pricing. *Defective cost or pricing data.*
15.407-2	**40**	Cost Analysis. *Make or buy analysis.*
15.407-2	**49**	Subcontracting Requirements. *Make-or-buy programs.*
15.407-3	**40**	Cost Analysis. *Forward pricing rate agreements.*
15.407-4	**40**	Cost Analysis. *Should cost analysis.*
15.407-5	**40**	Cost Analysis. *Relationship between estimating system and depth of proposal analysis.*
15.407-5	**76**	Accounting and Estimating Systems. *Estimating system reviews.*
15.408	**38**	Pricing Information From Offerors. *Solicitation provisions and contract clauses*
15.503 & 504	**51**	Issuing Awards and Related Notices. *Notifications.*
15.503(a)	**44**	Extent Of Discussions (Competitive Range). *Pre-award notifications to unsuccessful offerors.*
15.504	**50**	Preparing Awards. *Instructions on preparing and awarding contracts.*
15.505	**47**	Debriefing. *Preaward Debriefing of unsuccessful offerors.*
15.506	**47**	Debriefing. *Postaward debriefing of offerors.*
15.507	**53**	Protests. *Protests against award.*
15.508	**52**	Mistakes In Offers. *Discovery of mistakes after award.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
15.6	**10**	Unsolicited Proposals. *Unsolicited proposals.*
16.1	**17**	Contract Types — Pricing Arrangements. *Selecting contract types.*
16.2	**17**	Contract Types — Pricing Arrangements. *Fixed-price contracts.*
16.203	**74**	Price and Fee Adjustments. *Fixed-price contracts with economic price adjustment.*
16.204	**74**	Price and Fee Adjustments. *Fixed-price incentive contracts.*
16.205	**74**	Price and Fee Adjustments. *Fixed-price contracts with prospective price redetermination.*
16.205-3(b)	**76**	Accounting and Estimating Systems. *Contract types that can be used only after verifying the acceptability of the contractor's accounting system.*
16.206	**74**	Price and Fee Adjustments. *Fixed-ceiling-price contracts with retroactive price redetermination.*
16.206-3(b)	**76**	Accounting and Estimating Systems. *Contract types that can be used only after verifying the acceptability of the contractor's accounting system.*
16.3	**17**	Contract Types — Pricing Arrangements. *Cost-reimbursement contracts.*
16.301-3(a)	**76**	Accounting and Estimating Systems. *Contract types that can be used only after verifying the acceptability of the contractor's accounting system.*
16.303-305	**74**	Price and Fee Adjustments. *Cost sharing, cost plus award fee, and cost plus incentive fee contracts.*
16.4	**17**	Contract Types — Pricing Arrangements. *Incentive contracts.*
16.4	**74**	Price and Fee Adjustments. *Incentive contracts.*
16.403-1(c) & 2(c)	**76**	Accounting and Estimating Systems. *Contract types that can be used only after verifying the acceptability of the contractor's accounting system.*
16.5	**18**	Recurring Requirements. *Indefinite delivery contracts.*
16.505	**60**	Task And Delivery Order Contracting. *Indefinite delivery contracts.*
16.601	**17**	Contract Types — Pricing Arrangements. *Time-and-materials contracts*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
16.602	**17**	Contract Types — Pricing Arrangements. *Labor-hour contracts.*
16.603	**19**	Unpriced Contracts. *Letter contracts.*
16.7	**18**	Recurring Requirements. *Agreements.*
16.703	**60**	Task And Delivery Order Contracting. *Basic Ordering Agreements.*
17.1	**18**	Recurring Requirements. *Multiyear contracting.*
17.106-2	**14**	Price Related Factors *Soliciting multiyear offers.*
17.106-2(b) & (c)	**37**	Price Analysis (Negotiation). *Evaluating multiyear offers.*
17.2	**18**	Recurring Requirements. *Options.*
17.200 & 17.201	**59**	Options. *Options.*
17.203	**14**	Price Related Factors *Options as a price-related factor.*
17.206	**14**	Price Related Factors *Options as a price-related factor.*
17.206	**33**	Price Analysis (Sealed Bidding). *Evaluating options. See also FAR 52.217-3 through 52.217-5.*
17.206	**37**	Price Analysis (Negotiation). *Evaluating options.*
17.207	**59**	Options. *Exercise of options.*
17.5	**9**	Sources. *Interagency acquisitions under the Economy Act.*
19.001	**11**	Set-Asides *Definitions (e.g., of "concern", "fair market price", "nonmanufacturer rule", etc.)*
19.1	**11**	Set-Asides *Size standards.*
19.1	**35**	Processing Quotes and Proposals. *Rejecting offers from large business concerns for set-aside awards*
19.1	**48**	Responsibility. *Eligibility for set asides.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
19.101 & 102	**53**	Protests. *Size standards.*
19.201	**11**	Set-Asides *General policy on small and small disadvantaged business concerns.*
19.201	**15**	Non-Price Evaluation Factors. *Extent of participation of SDB concerns in contract performance as a mandatory evaluation factor in unrestricted acquisitions expected to exceed $500,000 ($1,000,000 for construction).*
19.202-1	**6**	Requirements Documents. *Encouraging small business participation in acquisitions.*
19.202-1(a) & (b)	**14**	Price Related Factors *Providing for more than one award when that would allow small business concerns to compete for part of the requirement.*
19.202-1(e)	**11**	Set-Asides *Notifying SBA when small business are not likely to be able to compete for a new requirement for supplies or services currently being provided by a small business.*
19.202-2	**5**	Market Research. *Locating small business sources.*
19.202-2(a)	**9**	Sources. *Including small businesses on mailing lists.*
19.202-3	**33**	Price Analysis (Sealed Bidding). *Equal low bids.*
19.202-4	**26**	Solicitation Preparation. *Time requirements for opening and closing dates.*
19.202-5	**11**	Set-Asides *Reporting participation by small businesses in acquisitions.*
19.202-6	**11**	Set-Asides *Fair market price determinations.*
19.202-6	**33**	Price Analysis (Sealed Bidding). *Determination of fair market prices.*
19.202-6	**37**	Price Analysis (Negotiation). *Fair market pricing for small business set asides.*
19.301	**35**	Processing Quotes and Proposals. *Rejecting offers from large business concerns for set-aside awards*
19.301	**48**	Responsibility. *Eligibility for set asides.*
19.301	**53**	Protests. *Representation by the offeror of status as a small business concern.*
19.302	**53**	Protests. *Protesting a small business representation.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
19.303	**11**	Set-Asides *Product or service classifications (i.e., SIC codes).*
19.304	**11**	Set-Asides *Solicitation provisions.*
19.304	**51**	Issuing Awards and Related Notices. *Notice to SBA of potential awards to offerors with pending SDB applications.*
19.305	**53**	Protests. *Protesting representation as a small disadvantaged business concern for the purpose of obtaining a price adjustment under FAR 52.219-23.*
19.306	**53**	Protests. *Protesting representation as a HUBZone small business concern.*
19.4	**0**	Orientation. *Small Business Administration.*
19.4	**11**	Set-Asides *Cooperation with the Small Business Administration.*
19.402	**3**	Purchase Requests. *Release of information to SBA procurement center representatives.*
19.5	**11**	Set-Asides *Set-asides for small businesses.*
19.501(g)	**33**	Price Analysis (Sealed Bidding). *No award under a set aside if cost exceeds the "fair market price."*
19.502-2(a)	**12**	8(a) Procurements. *Use of the 8(a) program in acquiring supplies and services under SAT.*
19.502-4	**35**	Processing Quotes and Proposals. *Rejecting offers from large business concerns for set-aside awards*
19.506(a)	**33**	Price Analysis (Sealed Bidding). *No award under a set aside if cost exceeds the "fair market price."*
19.6	**48**	Responsibility. *Certificates of competency.*
19.7	**49**	Subcontracting Requirements. *Subcontracting with small business, HUBZone small, small disadvantaged business concerns, and women-owned small business concerns.*
19.705-6	**51**	Issuing Awards and Related Notices. *Notice to SBA when the contract includes a subcontracting plan.*
19.705-6	**57**	Subcontracting Requirements. *Post-award responsibilities of the contracting officer for subcontracting plans.*
19.705-7	**57**	Subcontracting Requirements. *Liquidated damages for violations of subcontracting plans.*
19.706	**57**	Subcontracting Requirements. *Responsibilities of the cognizant ACO.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
19.706	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Responsibilities of the cognizant ACO.*
19.707(a)(4)	**57**	Subcontracting Requirements. *SBA's role*
19.707(a)(4)	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *SBA's role*
19.8	**12**	8(a) Procurements. *Contracting with the Small Business Administration (the 8(a) program).*
19.812	**83**	Termination. *Requirement to terminate 8(a) contracts for convenience when the 8(a) concern transfers ownership or control of the firm (unless SBA waives the requirement).*
19.10	**11**	Set-Asides *Small business competitiveness demonstration program.*
19.11	**14**	Price Related Factors *Price evaluation adjustment for small disadvantaged business concerns.*
19.11	**33**	Price Analysis (Sealed Bidding). *Adjusting prices based on the Department of Commerce prescribed factors for small disadvantaged business concerns.*
19.11	**37**	Price Analysis (Negotiation). *Adjusting prices based on the Department of Commerce prescribed factors for small disadvantaged business concerns.*
19.12	**36**	Applying Past Performance, Technical, And Other Non-Price Factors. *Applying the SDB factor; evaluating past performance of offerors in complying with subcontracting plan goals for SDB concerns, monetary targets for SDB participation, and notifications submitted under 19.1202-4(b).*
19.1202	**15**	Non-Price Evaluation Factors. *Extent of participation of SDB concerns in contract performance as a mandatory evaluation factor in unrestricted acquisitions expected to exceed $500,000 ($1,000,000 for construction).*
19.1203	**49**	Subcontracting Requirements. *Negotiating monetary incentives or award fee factors for exceeding monetary targets for SDB participation*.
19.13	**11**	Set-Asides *Historically Underutilized Business Zone Program*.
19.1307	**14**	Price Related Factors *Price evaluation preference for HUBZone small business concerns.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
22.101	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Labor relations and work stoppages.*
22.101-2(a)	**40**	Cost Analysis. *Contractor labor policies and compensation practices not necessarily reasonable when analyzing proposed costs.*
22.101-2(b)	**62**	Delays. *When a work stoppage can be considered an excusable delay.*
22.102	**55**	Post-Award Orientations. *Federal and state labor requirements — encouraging contractors to cooperate with Federal and State agencies responsible for enforcing labor requirements and to use the U.S. Employment Service and local/State employment offices.*
22.103-3	**37**	Price Analysis (Negotiation). *Discounting prices based on overtime and shift premiums.*
22.103-3(a)	**6**	Requirements Documents. *"Solicitations normally shall not specify delivery or performance schedules that may require overtime at Government expense."*
22.103-3(b)	**40**	Cost Analysis. *Negotiating prices not predicated upon overtime or shift premiums.*
22.103-4(f)	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Requests to pay overtime.*
22.2	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Convict labor; restrictions on employment by contractors.*
22.3 22.406-8 22.406-9	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Investigating alleged violations of the Contract Work Hours and Safety Standards Act and enforcing the Act (no laborer or mechanic doing any part of the work contemplated by the contract shall be required or permitted to work more than 40 hours in any workweek unless paid overtime).*
22.302	**65**	Remedies (Noncommercial). *Liquidated damages for under-payment of overtime.*
22.605	**58**	Contract Modifications. *Compliance with Walsh Healy if the contract is modified to exceed $10,000.*
22.608(a)	**55**	Post-Award Orientations. *Furnishing the contractor with DOL WH-1313, Notice to Employees Working on Government contracts.*
22.8	**48**	Responsibility. *EEO clearances.*
22.805(b)	**55**	Post-Award Orientations. *Furnishing the contractor with the poster "Equal Opportunity is the Law."*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
22.809	**65**	Remedies (Noncommercial). *Failure to comply with 52.222-26—Equal Opportunity*
22.809	**85**	Fraud and Exclusion. *Enforcement of EO 11246.*
22.814-1 22.818	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Complaints alleging violations of EO 11246 (equal employment opportunity) and enforcing the Order.*
22.9	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Resolving complaints of discrimination because of age.*
22.901	**55**	Post-Award Orientations. *Information regarding Federal policies on nondiscrimination because of age.*
22.10	**8**	Services. *Service Contract Act.*
22.1007	**58**	Contract Modifications. *Wage determinations pursuant to options or modifications under the Service Contract Act.*
22.1018	**55**	Post-Award Orientations. *Notifying service employees of minimum wages and fringe benefits (e.g., through DOL WH-1313, Notice to Employees Working on Government contracts.)*
22.1019	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Classifying employees not covered by a wage determination.*
22.1020	**55**	Post-Award Orientations. *Seniority lists.*
22.1022	**67**	Invoices. *Withholdings from contract payments under the Service Contract Act.*
22.1022 - 1026	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Enforcing FAR 52.222-40 or 41 (Service Contract Act).*
22.1022 & 1023	**64**	Commercial/Simplified Acquisition Remedies. *Failure to comply with the Service Contract Act.*
22.1022 & 1023	**65**	Remedies (Noncommercial). *Failure to comply with the Service Contract Act.*
22.1025	**48**	Responsibility. *Ineligibility under the Service Contract Act.*
22.1026	**82**	Claims. *Disputes regarding labor standards requirements of the contract.*
22.1101	**40**	Cost Analysis. *Requirement to analyze professional labor costs in contracts over $500,000.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
22.1103	**40**	Cost Analysis. *Unrealistically low professional employee compensation as an adverse factor in making award.*
22.1301 22.1304 *through* 22.1307	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Resolving complaints about the administration of the Vietnam Era Veterans Readjustment Act and enforcing the Act.*
22.1304	**55**	Post-Award Orientations. *Dept. of Labor notices and reports re: Special Disabled And Vietnam Era Veterans.*
22.1307	**64**	Commercial/Simplified Acquisition Remedies. *Failure to comply with 52.222-35—Affirmative Action for Special Disabled and Vietnam Era Veterans*
22.1307	**65**	Remedies (Noncommercial). *Failure to comply with 52.222-35—Affirmative Action for Special Disabled and Vietnam Era Veterans*
22.1400-1401 & 1405-1406	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Enforcing FAR 52.222-36 (Affirmative Action for Handicapped Workers).*
22.1404	**55**	Post-Award Orientations. *Dept. of Labor notices re: employment of the handicapped.*
22.1407	**64**	Commercial/Simplified Acquisition Remedies. *Failure to comply with 52.222-36—Affirmative Action for Handicapped Workers*
22.1407	**65**	Remedies (Noncommercial). *Failure to comply with 52.222-36—Affirmative Action for Handicapped Workers*
22.1500 - 1509	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Employee rights concerning payment of union dues or fees.*
23.1	**48**	Responsibility. *No contracts with firms proposing to use facilities that are in violation of the Air or Water Acts.*
23.107	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Reporting noncompliance with clean air or water standards.*
23.203	**6**	Requirements Documents. *Considering energy conservation and efficiency data in the preparation of plans, drawings, specifications, and other product descriptions*
23.203	**14**	Price Related Factors. *Energy conservation and efficiency factors.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
23.300 - 302	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Obtaining data from contractors on hazardous materials prior to delivery of same.*
23.4	**6**	Requirements Documents. *Specifying use of recovered materials.*
23.4	**6**	Requirements Documents. *Specifying use of recovered materials.*
23.5	**48**	Responsibility. *Drug free workplace requirements for eligibility.*
23.506	**64**	Commercial/Simplified Acquisition Remedies. *Failure to comply with requirements to maintain a drug-free workplace.*
23.506	**65**	Remedies (Noncommercial). *Failure to comply with requirements to maintain a drug-free workplace.*
23.506	**67**	Invoices. *Suspension of payments under the drug-free work place clause.*
23.506	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Enforcing requirements for a drug-free workplace.*
23.704	**0**	Orientation. *Environmental goals.*
23.704	**6**	Requirements Documents. *Favoring the acquisition of environmentally preferable and energy-efficient products and services.*
23.704(b)(2)	**14**	Price Related Factors *Energy conservation and efficiency factors.*
24.1	**6**	Requirements Documents. *Special review requirements for requirements documents that involve the design, development, or operation of systems of records.*
24.2	**27**	Preaward Inquiries. *Freedom of Information Act.*
25.1	**14**	Price Related Factors *Buy American and Trade Agreements Acts in evaluating prices.*
25.1	**33**	Price Analysis (Sealed Bidding). *Buy American and Trade Agreements Acts in evaluating prices.*
25.1	**37**	Price Analysis (Negotiation). *Applying Buy American Act factors.*
25.107	**60**	Task And Delivery Order Contracting. *GSA responsibilities for compliance with the Buy American Act.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
25.4	**14**	Price Related Factors *Buy American and Trade Agreements Acts in evaluating prices.*
25.4	**33**	Price Analysis (Sealed Bidding). *Buy American and Trade Agreements Acts in evaluating prices.*
25.4	**37**	Price Analysis (Negotiation). *Applying Buy American Act factors.*
25.405(b)	**6**	Requirements Documents. *No requirements solely to preclude acquisition of eligible products under the Trade Agreements Act.*
25.405	**35**	Processing Quotes and Proposals. *Requirement to open offers in the presence of an impartial witness when the Trade Agreement Act applies.*
25.6	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *CO's responsibilities for obtaining duty-free entry of supplies.*
25.7	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Restrictions on certain foreign purchases; enforcing the clause at 52.225-11, Certain Communist Areas.*
26.1	**49**	Subcontracting Requirements. *Indian incentive program.*
27.104	**80**	Intellectual Property. *General guidance on patents, data, and copyrights.*
27.201-1 27.202-1 27.203-1	**80**	Intellectual Property. *Claims of infringement of patents when the Government has authorized or consented to the manufacture or use of a patented invention.*
27.204	**40**	Cost Analysis. *Evaluation of anticipated royalty costs.*
27.205 & 206	**67**	Invoices. *Refunding of royalties.*
27.207-1	**80**	Intellectual Property. *Determining the security classification of a contractor's patent application.*
27.300 - 302 27.304-1	**80**	Intellectual Property. *Administering terms and conditions with respect to inventions made in the performance of work under a Government contract or subcontract if a purpose of the contract or subcontract is the conduct of experimental, developmental, or research work (i.e., terms and conditions with respect to patents).*
27.304-2	**60**	Task And Delivery Order Contracting. *Patent clauses when contracts are placed by or for other Government agencies.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
27.304-4 27.304-5 27.305	**80**	Intellectual Property. *Administering terms and conditions with respect to inventions made in the performance of work under a Government contract or subcontract if a purpose of the contract or subcontract is the conduct of experimental, developmental, or research work (i.e., terms and conditions with respect to patents).*
27.400 - 402 27.404(f) - (j) 27.405 - 406	**80**	Intellectual Property. *Administering terms and conditions with respect to rights in data and copyrights.*
28.101	**21**	Need for Bonds. *Bid guarantees.*
28.102	**21**	Need for Bonds. *Bonds in construction contracts*
28.103	**21**	Need for Bonds. *Performance and payment bonds for other than construction contracts.*
28.104	**21**	Need for Bonds. *Annual performance bonds.*
28.105	**21**	Need for Bonds. *Other types of bonds.*
28.106-1	**21**	Need for Bonds. *Bonds and related bond forms.*
28.2	**21**	Need for Bonds. *Sureties and other security for bonds.*
28.101-4	**34**	Responsiveness. *Noncompliance with a bid guarantee requirement.*
28.106	**69**	Administering Securities. *Bond Administration.*
28.2	**69**	Administering Securities. *Sureties and other securities.*
28.303	**79**	Property Administration. *Contractor insurance for government property.*
28.301 - 304	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Reviewing contractor insurance plans.*
28.307 - 308	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Reviewing contractor insurance plans.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
29	**40**	Cost Analysis. *Taxes.*
29	**67**	Invoices. *Taxes (refunds for).*
30.4	**40**	Cost Analysis. *Cost accounting standards.*
30	**77**	Cost Accounting Standards. *Cost Accounting Standards.*
31	**40**	Cost Analysis. *Contract cost principles and procedures.*
31	**71**	Unallowable Costs. *Contract cost principles and procedures.*
31.205-26 & 40	**79**	Property Administration. *Costs of Material, Special Test Equipment, and Special Tooling*
32.001	**20-2**	Noncommercial Contract Financing. *Definitions.*
32.005	**20-2**	Noncommercial Contract Financing. *Consideration*
32.10	**20-2**	Noncommercial Contract Financing. *Performance-Based Payments*
32.102	**20-2**	Noncommercial Contract Financing. *Description of contract financing methods.*
32.102(d)	**67**	Invoices. *Partial payments.*
32.104	**20-2**	Noncommercial Contract Financing. *Providing contract financing.*
32.104	**70**	Administering Financing Terms. *Providing contract financing.*
32.105	**20-2**	Noncommercial Contract Financing. *Uses of contract financing.*
32.105	**70**	Administering Financing Terms. *Uses of contract financing.*
32.106	**20-2**	Noncommercial Contract Financing. *Order of preference.*
32.107	**15**	Non-Price Evaluation Factors. *The need for financing not to be used as an evaluation factor.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
32.107	**20-2**	Noncommercial Contract Financing. *Need for contract financing not to be used as a responsibility or evaluation factor.*
32.107	**48**	Responsibility. *Don't use an offeror's need for contract financing as a responsibility factor.*
32.108	**20-2**	Noncommercial Contract Financing. *Financial consultation.*
32.109	**83**	Termination. *Financing of contractor costs for termination.*
32.111	**20-2**	Noncommercial Contract Financing. *Contract clauses.*
32.113	**20-2**	Noncommercial Contract Financing. *Customary contract financing.*
32.114	**20-2**	Noncommercial Contract Financing. *Unusual contract financing.*
32.2	**20-1**	Commercial Financing. *Commercial item purchase financing.*
32.2	**70**	Administering Financing Terms. *Commercial item purchase financing.*
32.202-4	**21**	Need for Bonds. *Securities for commercial financing payments (including bonds as one form of security).*
32.3	**20-2**	Noncommercial Contract Financing. *Loan guarantees for defense production.*
32.4	**20-2**	Noncommercial Contract Financing. *Advance payments.*
32.408 *through* 32.411	**70**	Administering Financing Terms. *Administering advance payments.*
32.500 *through* 502	**20-2**	Noncommercial Contract Financing. *Progress payments based on costs.*
32.501	**70**	Administering Financing Terms. *Progress payment rates (customary and unusual); consideration for progress payments.*
32.503	**70**	Administering Financing Terms. *Postaward matters with respect to progress payments based on costs.*
32.504	**20-2**	Noncommercial Contract Financing. *Progress payments to subcontractors.*
32.504	**70**	Administering Financing Terms. *Progress payments to subcontractors.*
32.6	**75**	Collecting Contractor Debts. *Contract debts.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
32.611 & 612	**67**	Invoices. *Set offs for debt collection.*
32.700 *through* 32.703.	**4**	Funding. *Contract funding.*
32.702 32.703	**50**	Preparing Awards. *Contract Financing.*
32.702	**58**	Contract Modifications. *Anti-Deficiency Act.*
32.705-1	**4**	Funding. *Contract funding.*
32.732	**73**	Limitation of Costs. *Anti-deficiency policies.*
32.734	**73**	Limitation of Costs. *Limitation of cost or funds.*
32.735-2	**73**	Limitation of Costs. *Clauses.*
32.8	**68**	Assignment of Claims. *Assignment of claims.*
32.804	**67**	Invoices. *Protection for assignees from reductions or withholdings.*
32.9	**67**	Invoices. *Prompt payment.*
33.1	**53**	Protests. *Protests.*
33.2	**82**	Claims. *Disputes and appeals.*
33.213	**62**	Delays. *Obligation to continue performance—even when the contractor has filed a claim.*
34	**2**	Acquisition Planning. *Major Systems.*
35.003(a)	**6**	Requirements Documents. *Work statements for research and development. Also FAR 35.010(a), 35.011(a), and 35.015(a).*
35.003(b)	**17**	Contract Types — Pricing Arrangements. *Contracts types for R&D.*
35.003(c)	**67**	Invoices. *Recoupment.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
35.004	**5**	Market Research. *Market research for R&D.*
35.005	**6**	Requirements Documents. *Work statements for research and development. Also FAR 35.010(a), 35.011(a), and 35.015(a).*
35.006(a)	**16**	Method of Procurement or Purchasing. *Negotiation necessary for R&D acquisitions.*
35.006(b-e)	**17**	Contract Types — Pricing Arrangements. *Contracts types for R&D.*
35.007	**15**	Non-Price Evaluation Factors. *Sample R&D evaluation factors.*
35.007(a-b)	**24**	Publicizing Proposed Procurements. *Soliciting R&D proposals.*
35.007(c) 35.007(d)	**6**	Requirements Documents. *Work statements for research and development. Also FAR 35.010(a), 35.011(a), and 35.015(a).*
35.007(d)	**26**	Solicitation Preparation. *R&D solicitations*
35.007(g)	**6**	Requirements Documents. *Work statements for research and development.*
35.007(h)	**17**	Contract Types — Pricing Arrangements. *Contracts types for R&D.*
35.007(i)	**10**	Unsolicited Proposals. *Responding to concerns that have a new idea or product that incorporates the results of independent R&D work.*
35.008(a) & (b)	**15**	Non-Price Evaluation Factors. *Guidelines for R&D evaluation factors.*
35.008(c)	**48**	Responsibility. *Applicability of COC's to R&D contracts.*
35.008(d)	**47**	Debriefing. *R&D debriefings.*
35.008(e)	**40**	Cost Analysis. *Cost or price analysis as a basis for evaluating an offeror's understanding of the project, perception of risks, and ability to organize and perform the work.*
35.009	**56**	Consent To Subcontracts & Purchasing System Reviews. *Consent to R&D subcontracts.*
35.014(a)	**7**	Use Of Government Property And Supply Sources. *Government property and title (related to R&D acquisitions).*
35.015(b)	**18**	Recurring Requirements. *Use of basic agreements for R&D.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
35.016	**1**	Forecasting Requirements. *Broad agency announcements.*
35.016	**15**	Non-Price Evaluation Factors. *Use of evaluation factors in BAA's.*
35.016	**24**	Publicizing Proposed Procurements. *Broad agency announcements for R&D proposals.*
37	**8**	Services. *Service contracting.*
37.102	**1**	Forecasting Requirements. *Policy of reliance on the private sector for commercial services.*
37.105	**16**	Method of Procurement or Purchasing. *Use of sealed bidding in acquiring services under the conditions in §6.4.*
37.106	**4**	Funding. *Funding and term of service contracts.*
37.108	**48**	Responsibility. *Applicability of COC's to service contracts.*
37.109	**48**	Responsibility. *No contracts with Pinkerton Detective Agencies or like organizations.*
37.110(a)	**28**	Prequote/Prebid/Preproposal Conference. *Site visits in solicitations for services (other than construction) to be performed on Government installations.*
37.115	**40**	Cost Analysis. *Uncompensated overtime.*
37.203(d)	**15**	Non-Price Evaluation Factors. *Controls on contracting for evaluators in source selections.*
37.601	**6**	Requirements Documents. *Definition of "performance-based contracting".*
37.601(c)	**17**	Contract Types — Pricing Arrangements. *Contract types for performance-based service contracts.*
37.602	**60**	Task And Delivery Order Contracting. *Statements of work for task order contracts and orders under task order contracts; encouragement of multiple awards for such contracts.*
37.602-1	**6**	Requirements Documents. *Statements of work for performance-based services contracts.*
37.602-1(a)(3)	**17**	Contract Types — Pricing Arrangements. *Contract types for performance-based service contracts.*
37.602-2	**54**	Contract Administration Planning. *Quality assurance surveillance plans for services.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
37.602-3	**16**	Method of Procurement or Purchasing. *Use of competitive negotiations to ensure selection of services that offer the best value to the Government, cost and other factors considered.*
37.602-4	**17**	Contract Types — Pricing Arrangements. *Contract types for performance-based service contracts.*
38.101	**9**	Sources. *Federal Supply Schedules.*
39.1	**6**	Requirements Documents. *Information technology requirements.*
39.101	**5**	Market Research. *Market research to assess changing nature of information technology.*
42.002	**54**	Contract Administration Planning. *Interagency agreements for contract administration support.*
42.1	**39**	Audits. *Contract audit services.*
42.1	**54**	Contract Administration Planning. *Contract audit services.*
42.2	**54**	Contract Administration Planning. *Assignment of contract administration.*
42.3	**54**	Contract Administration Planning. *Contract administration office functions.*
42.302	**0**	Orientation. *Contract administration functions.*
42.302(a) (26)-(30)	**79**	Property Administration. *Contract property administration functions.*
42.302(a) (34), 66) & (68)	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Contracting officer responsibilities related to administering socio-economic contract clauses (e.g., labor-relations; drug-free workplace; environmental practices).*
42.4	**61**	Monitoring, Inspection, & Acceptance. *Correspondence and visits with the contractor.*
42.5	**55**	Post-Award Orientations. *Post-award orientation.*
42.6	**54**	Contract Administration Planning. *Corporate administrative contracting officers.*
42.7	**67**	Invoices. *Indirect cost rates.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
42.7	**72**	Payment of Indirect Costs. *Indirect cost rates.*
42.703-1(b)	**70**	Administering Financing Terms. *Use of billing rates in determining progress payments.*
42.703-1(c)(2)	**74**	Price and Fee Adjustments. *Use of final indirect cost rates on negotiating the final price of fixed-price incentive and redeterminable contracts.*
42.704	**40**	Cost Analysis. *Billing rates.*
42.8	**71**	Unallowable Costs. *Disallowance of costs.*
42.9	**76**	Accounting and Estimating Systems. *Bankruptcy.*
42.11	**54**	Contract Administration Planning. *Production surveillance and reporting.*
42.11	**61**	Monitoring, Inspection, & Acceptance. *Production surveillance and reporting.*
42.12	**58**	Contract Modifications. *Novation and change of name agreements.*
42.1303	**63**	Stop Work. *Stop-work orders.*
42.1304	**62**	Delays. *Government delay of work*
42.1401	**55**	Post-Award Orientations. *Instructing contractors on carrier services and equipment.*
42.1403	**67**	Invoices. *Shipping documents covering F.O.B. origin shipments (e.g., bills of lading).*
42.15	**66**	Documenting Past Performance. *Contractor performance information*
42.16	**61**	Monitoring, Inspection, & Acceptance. *Small business contract administration.*
43	**58**	Contract Modifications. *Contract Modifications.*
43.104	**61**	Monitoring, Inspection, & Acceptance. *Notice of constructive changes.*
43.104	**82**	Claims. *Notification of contract changes.*
43.105	**4**	Funding. *Availability of funds for modifications.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
44.2	**56**	Consent To Subcontracts & Purchasing System Reviews. *Consent to subcontracts.*
44.201-2	**7**	Use Of Government Property And Supply Sources. *Consent to acquire special test equipment and facilities*
44.201-4	**7**	Use Of Government Property And Supply Sources. *Contractor use of Government sources*
44.3	**56**	Consent To Subcontracts & Purchasing System Reviews. *Contractor's purchasing system reviews.*
45.101	**7**	Use Of Government Property And Supply Sources. *Definitions.*
45.101	**79**	Property Administration. *Definitions related to Government property.*
45.102	**7**	Use Of Government Property And Supply Sources. *Basic policy and criteria for furnishing property.*
45.102	**79**	Property Administration. *General policies on property.*
45.103	**79**	Property Administration. *Responsibility and liability for government property.*
45.104	**79**	Property Administration. *Review and correction of contractor's property control system.*
45.105	**79**	Property Administration. *Records of government property.*
45.106	**7**	Use Of Government Property And Supply Sources. *Property clauses.*
45.2	**14**	Price Related Factors *Evaluating prices of vendors that have the advantage of Government furnished property.*
45.2	**33**	Price Analysis (Sealed Bidding). *Government furnished property as a price-related evaluation factor.*
45.3	**7**	Use Of Government Property And Supply Sources. *Policies and procedures for providing Government property to contractors*
45.301	**7**	Use Of Government Property And Supply Sources. *Definitions.*
45.301	**79**	Property Administration. *Definitions related to Government property.*
45.4	**79**	Property Administration. *Contractor use and rental of Government property*
45.5	**79**	Property Administration. *Management of government property in the possession of contractors.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
45.6	**7**	Use Of Government Property And Supply Sources. *Disposition and disposal of Government property*
45.6	**79**	Property Administration. *Reporting, redistribution, and disposal of contractor inventory.*
46.1	**61**	Monitoring, Inspection, & Acceptance. *General policies and responsibilities for inspection and acceptance.*
46.101	**6**	Requirements Documents. *Definitions of contract quality requirements, contract quality assurance, inspection, and acceptance.*
46.102	**6**	Requirements Documents. *Policies regarding incorporation of inspection and other quality requirements.*
46.103	**6**	Requirements Documents. *Contracting office responsibilities for incorporating contract quality requirements.*
46.2	**6**	Requirements Documents. *Contract quality requirements.*
46.3	**6**	Requirements Documents. *Contract clauses related to quality requirements.*
46.401	**61**	Monitoring, Inspection, & Acceptance. *Government contract quality assurance.*
46.401 - 405	**6**	Requirements Documents. *Specifying the Government's role and responsibility for contract quality assurance, including quality assurance surveillance plans.*
46.407	**64**	Commercial/Simplified Acquisition Remedies. *Nonconforming supplies or services.*
46.407	**65**	Remedies (Noncommercial). *Nonconforming supplies or services.*
46.408	**54**	Contract Administration Planning. *Single agency assignments of Governmentwide contract quality assurance.*
46.5	**61**	Monitoring, Inspection, & Acceptance. *Acceptance.*
46.503	**6**	Requirements Documents. *Specifying the place of acceptance.*
46.504	**6**	Requirements Documents. *Providing for use of certificates of conformance.*
46.6	**61**	Monitoring, Inspection, & Acceptance. *Material Inspection and Receiving Reports.*
46.7	**6**	Requirements Documents. *Warranties.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
46.701 - 46.702	**64**	Commercial/Simplified Acquisition Remedies. *Warranties.*
46.701 - 46.702	**65**	Remedies (Noncommercial). *Warranties.*
46.706	**64**	Commercial/Simplified Acquisition Remedies. *Warranties.*
46.706	**65**	Remedies (Noncommercial). *Warranties.*
46.707	**40**	Cost Analysis. *Pricing warranties.*
46.709	**64**	Commercial/Simplified Acquisition Remedies. *Warranties.*
46.8	**64**	Commercial/Simplified Acquisition Remedies. *Contractor liability for loss of or damage to Government property resulting from post acceptance defects.*
47.101	**14**	Price Related Factors *Transportation costs as a price-related factor.*
47.103	**67**	Invoices. *Transportation Documentation and Audit Regulation (e.g., Government Bills of Lading).*
47.104-3	**40**	Cost Analysis. *Applicability of section 10721 rates to contractor shipments.*
47.104-5	**67**	Invoices. *Citation of Government rate tenders.*
47.105	**54**	Contract Administration Planning. *Transportation assistance.*
47.105	**14**	Price Related Factors *Transportation costs as a price-related factor.*
47.203	**17**	Contract Types — Pricing Arrangements. *Transportation term contracts.*
47.205	**5**	Market Research. *Availability of GSA and DoD term contracts for transportation services.*
47.3	**14**	Price Related Factors *Transportation costs as a price-related factor.*
47.306	**33**	Price Analysis (Sealed Bidding). *Transportation factors. See also FAR 52.247-45 through 51 and 52.247-56 through 59.*
47.401 - 405	**67**	Invoices. *Disallowance of fares of foreign-flag air carriers.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
48	**58**	Contract Modifications. *Value engineering.*
49	**83**	Termination. *General FAR policies on termination.*
49.102(b)	**69**	Administering Securities. *Notice to surety of imminent default.*
49.106	**85**	Fraud and Exclusion. *Fraud related to settlement of a terminated contract*
49.112	**67**	Invoices. *Payment when terminating.*
49.401(b)	**62**	Delays. *No termination for default if the delay was excusable.*
49.402-3(b) - (d)	**65**	Remedies (Noncommercial). *Delinquency notices.*
49.402-3(e)(2)	**69**	Administering Securities. *Notice to surety of imminent default.*
49.402-3(e)(3)	**69**	Administering Securities. *Mailing checks c/o surety in event of default notice.*
49.402-3(e)(4)	**65**	Remedies (Noncommercial). *Delinquency notices.*
49.402-3(h)	**69**	Administering Securities. *Copy of default notice to surety.*
49.402-4(a)	**69**	Administering Securities. *Performance by the surety as an alternative to termination for default.*
49.404	**69**	Administering Securities. *Surety-takeover agreements.*
49.405	**69**	Administering Securities. *Completion by another contractor.*
49.406	**69**	Administering Securities. *Liquidation of liability.*
49.607	**64**	Commercial/Simplified Acquisition Remedies. *Delinquency notices.*
49.657	**65**	Remedies (Noncommercial). *Delinquency notices.*
50.1 *through* 50.3	**58**	Contract Modifications. *Extraordinary contractual actions.*
51.1	**7**	Use Of Government Property And Supply Sources. *Use of Government supply sources.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.202-1	**27**	Preaward Inquiries. *Definitions and guidelines for interpreting the solicitation or contract.*
52.202-1	**55**	Post-Award Orientations. *Definitions.*
52.203-1 *through* 203-13	**85**	Fraud and Exclusion. *Related clauses*
52.203-2	**34**	Responsiveness. *Certificate of Independent Price Determination.*
52.203-2	**48**	Responsibility. *Certificate of independent price determination.*
52.203-2 & 203-5	**35**	Processing Quotes and Proposals. *Certificates of independent pricing and contingent fee representation.*
52.203-4 52.203-5	**48**	Responsibility. *Contingent fee arrangements.*
52.204-1	**51**	Issuing Awards and Related Notices. *Approval of the contract.*
52.204-2	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Enforcing security requirements.*
52.204-3	**48**	Responsibility. *Parent company and identifying data; type of business.*
52.204-4	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Printing/Copying Double-Sided on Recycled Paper*
52.207-3	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Right of first refusal of employment (A-76 competitions).*
52.207-4	**1**	Forecasting Requirements. *Economic Purchase Quantity — Supplies.*
52.207-5	**13**	Lease Vs. Purchase *Option to Purchase Equipment.*
52.209-1	**9**	Sources. *Qualification requirements.*
52.209-3 - 4	**6**	Requirements Documents. *First article approvals*
52.209-3 & 209-4	**61**	Monitoring, Inspection, & Acceptance. *First article testing*
52.209-5	**48**	Responsibility. *Certification regarding debarment, suspension, proposed debarment, and other responsibility matters.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.209-5	**85**	Fraud and Exclusion. *Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters*
52.209-6	**56**	Consent To Subcontracts & Purchasing System Reviews. *Restrictions on subcontracting with excluded sources.*
52.209-8	**48**	Responsibility. *Ineligibility for failure to certify absence of actual or potential conflict of interest or unfair competitive advantage exists (when acquiring advisory or assistance services).*
52.211-1 *through* 211-4	**24**	Publicizing Proposed Procurements. *Availability of specifications for review by offerors.*
52.211-5	**6**	Requirements Documents. *Used/New materials.*
52.211-5	**61**	Monitoring, Inspection, & Acceptance. *Responding to contractor requests to substitute used or surplus materials for new materials.*
52.211-8 & 211-9	**61**	Monitoring, Inspection, & Acceptance. *Delivery times.*
52.211-8 *through* 211-9	**6**	Requirements Documents. *Delivery time.*
52.211-11	**65**	Remedies (Noncommercial). *Liquidated damages — Supplies, Services or R&D.*
52.211-16 *through* 18	**61**	Monitoring, Inspection, & Acceptance. *Variation in quantity.*
52.211-16	**65**	Remedies (Noncommercial). *Variation in Quantity*
52.211-17	**65**	Remedies (Noncommercial). *Delivery of Excess Quantities*
52.212-2	**15**	Non-Price Evaluation Factors. *Factors in evaluating commercial items.*
52.212-4 (a)&(n)	**61**	Monitoring, Inspection, & Acceptance. *Inspection and acceptance terms of contracts for commercial items.*
52.212-4(g) & (i)	**22**	Method of Payment. *Payment terms for commercial contracts.*
52.212-4(a)	**64**	Commercial/Simplified Acquisition Remedies. *Rejecting non-conforming deliverables before and after acceptance.*
52.212-4(b)	**68**	Assignment of Claims. *Assignment in commercial item contracts.*
52.212-4(c)	**58**	Contract Modifications. *Modifying contracts for commercial items.*
52.212-4(d)	**82**	Claims. *Applicability of Disputes Act to contracts for commercial items.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.212-4(e)	**55**	Post-Award Orientations. *Definitions.*
52.212-4(f)	**62**	Delays. *Excusable delay (commercial contracts).*
52.212-4(g)	**67**	Invoices. *Invoices for payment under contracts for commercial items.*
52.212-4(h)	**80**	Intellectual Property. *Patent indemnity against liability for patent, trademark, or copyright infringements arising out of contract performance.*
52.212-4(i)	**67**	Invoices. *Payment under contracts for commercial items.*
52.212-4(j)	**64**	Commercial/Simplified Acquisition Remedies. *Risk of loss.*
52.212-4(k) 52.229-1, 229-3 *through* 229-10	**67**	Invoices. *Taxes.*
52.212-4(l) & (m)	**83**	Termination. *Termination of contracts for commercial items.*
52.212-4(m)	**64**	Commercial/Simplified Acquisition Remedies. *Termination for cause.*
52.212-4(o)	**64**	Commercial/Simplified Acquisition Remedies. *Warranties of merchantability and fitness for a particular purpose.*
52.212-4(p)	**64**	Commercial/Simplified Acquisition Remedies. *Limitation of liability for consequential damages from defects or deficiencies in accepted items.*
52.212-4(q)	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Requirement to comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to the performance of contracts for commercial items.*
52.212-4(r)	**61**	Monitoring, Inspection, & Acceptance. *Whistleblower protections re: commercial contracts.*
52.212-4(r)	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Requirement to comply with the Contract Work Hours and Safety Standards Act in the performance of contracts for commercial items.*
52.212-4(r)	**85**	Fraud and Exclusion. *Compliance with laws relating to limitations on use of appropriated funds to influence certain Federal contracts; officials not to benefit; anti-kickbacks, and procurement integrity.*
52.212-4(s)	**55**	Post-Award Orientations. *Order Of Precedence — Contracts for Commercial Items.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.213-1	**22**	Method of Payment. *Fast Payment Procedures.*
52.213-1	**64**	Commercial/Simplified Acquisition Remedies. *Fast Payment Procedure — independent right to require replacement, repair or correction of supplies within 180 days from the date that title vests in the Government.*
52.213-1	**67**	Invoices. *Fast Payment Procedure.*
52.213-3	**19**	Unpriced Contracts. *Related clauses.*
52.213-4(d)	**64**	Commercial/Simplified Acquisition Remedies. *Rejecting non-conforming deliverables before and after acceptance: Simplified acquisitions — other than commercial items.*
52.213-4(e)	**62**	Delays. *Excusable delay (simplified acquisitions – other than commercial items).*
52.213-4(f) & (g)	**83**	Termination. *Termination of contracts for other than commercial items in simplified acquisitions.*
52.213-4(g)	**64**	Commercial/Simplified Acquisition Remedies. *Termination for cause: Simplified acquisitions — other than commercial items.*
52.213-4(h)	**64**	Commercial/Simplified Acquisition Remedies. *Warranties of merchantability and fitness for a particular purpose: Simplified acquisitions — other than commercial items.*
52.214-1	**27**	Preaward Inquiries. *Solicitation definitions—sealed bidding.*
52.214-3	**29**	Amending/Canceling Solicitations. *Amendments to IFBs*
52.214-4	**85**	Fraud and Exclusion. *False statements in bids.*
52.214-5	**30**	Processing Bids. *Submission of bids.*
52.214-6	**27**	Preaward Inquiries. *Explanation to prospective bidders.*
52.214-7	**32**	32Offers. *Late submissions, modifications, and withdrawals of offers.*
52.214-9	**9**	Sources. *Failure to submit offer a basis for removal from source list.*
52.214-10	**14**	Price Related Factors *Use of price related factors in making award.*
52.214-10	**33**	Price Analysis (Sealed Bidding). *Use of price related factors in making award.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.214-10	**34**	Responsiveness. *Award*
52.214-10	**48**	Responsibility. *Contract award.*
52.214-10	**50**	Preparing Awards. *Contract Award.*
52.214-10(d) 52.214-16(e)	**31**	Bid Acceptance Periods. *Offer results in a binding contract if accepted by the Government within the time for acceptance specified in the bid.*
52.214-12	**34**	Responsiveness. *Preparation of bids.*
52.214-13	**26**	Solicitation Preparation. *Telegraphic bids.*
52.214-15 52.214-16	**26**	Solicitation Preparation. *Acceptance periods for offers.*
52.214-15 52.214-16	**31**	Bid Acceptance Periods. *Provisions that establish a mandatory minimum period for accepting bids.*
52.214-17	**34**	Responsiveness. *Affiliated bidders.*
52.214-17	**48**	Responsibility. *Affiliated bidders.*
52.214-20 52.214-21	**16**	Method of Procurement or Purchasing. *Bid samples and descriptive literature.*
52.214-20	**34**	Responsiveness. *Bid samples.*
52.214-21	**34**	Responsiveness. *Descriptive literature.*
52.214-22	**14**	Price Related Factors *Evaluation of offers for multiple awards.*
52.214-22	**33**	Price Analysis (Sealed Bidding). *Factoring in the additional administrative costs of multiple awards.*
52.214-22	**33**	Price Analysis (Sealed Bidding). *Evaluation criteria of bids for multiple awards.*
52.214-22	**33**	Price Analysis (Sealed Bidding). *Factoring in the additional administrative costs of multiple awards.*
52.214-23 *through* 214-25	**16**	Method of Procurement or Purchasing. *Two-step sealed bidding.*
52.214-26	**39**	Audits. *Audit—sealed bidding.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.214-26	**76**	Accounting and Estimating Systems. *Audit—Sealed Bidding (e.g., with respect to modifications).*
52.214-26	**78**	Defective Pricing. *Audit—Sealed Bidding.*
52.214-27	**78**	Defective Pricing. *Price reduction for defective cost or pricing data—modifications—sealed bidding.*
52.214-28	**38**	Pricing Information From Offerors. *Subcontractor cost or pricing data; for modifications.*
52.214-29	**27**	Preaward Inquiries. *Order of precedence — sealed bidding.*
52.214-29	**55**	Post-Award Orientations. *Order Of Precedence — Sealed Bidding*
52.215-1	**26**	Solicitation Preparation. *Instructions to Offerors--Competitive Acquisition.*
52.215-1	**27**	Preaward Inquiries. *Solicitation definitions, Restriction on disclosure and use of data, instructions to offerors*
52.215-1	**32**	Late Offers. *Late submissions, modifications, and withdrawals of offers.*
52.215-1	**35**	Processing Quotes and Proposals. *Instructions to Offerors - Competitive Acquisition*
52.215-1	**42**	Award Without Discussions. *Instructions to offerors – competitive acquisition.*
52.215-1	**48**	Responsibility. *Contract award.*
52.215-1	**50**	Preparing Awards. *Contract Award.*
52.215-1(b)	**29**	Amending/Canceling Solicitations. *Amendments to RFPs*
52.215-1(c)(2)(iv)	**46**	Conducting Discussions/Negotiations. *Authorized negotiators.*
52.215-1(f)	**14**	Price Related Factors *Use of price related factors in making award.*
52.215-1(f)(6)	**37**	Price Analysis (Negotiation). *Evaluation of offers for multiple awards.*
52.215-2	**39**	Audits. *Audit—negotiation.*
52.215-2	**76**	Accounting and Estimating Systems. *Audit—Negotiations.*
52.215-2	**78**	Defective Pricing. *Audit—Negotiation.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.215-3	**5**	Market Research. *Requests for Information or solicitations for planning purposes.*
52.215-5	**35**	Processing Quotes and Proposals. *Facsimile proposals.*
52.215-6	**48**	Responsibility. *Parent company and identifying data; type of business*
52.215-8	**27**	Preaward Inquiries. *Order of precedence.*
52.215-8	**55**	Post-Award Orientations. *Order Of Precedence — Uniform Contract Format.*
52.215-10 & 11	**78**	Defective Pricing. *Price reduction for defective cost or pricing data.*
52.215-12 & 13	**38**	Pricing Information From Offerors. *Subcontractor cost or pricing data; both for initial contracts and modifications.*
52.215-14	**37**	Price Analysis (Negotiation). *Integrity of unit prices.*
52.215-14	**40**	Cost Analysis. *Unit pricing.*
52.215-16 & 17	**40**	Cost Analysis. *Facilities cost of capital as an allowable cost.*
52.215-20	**38**	Pricing Information From Offerors. *Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (RFP Provision)*
52.215-21	**38**	Pricing Information From Offerors. *Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data—Modifications (Contract clause)*
52.216-1 *through* 8	**17**	Contract Types — Pricing Arrangements. *Related provisions and clauses.*
52.216-2 *through* 4	**74**	Price and Fee Adjustments. *Economic price adjustments.*
52.216-5 & 6	**74**	Price and Fee Adjustments. *Price redeterminations.*
52.216-7	**67**	Invoices. *Allowable costs and payment under cost reimbursement contracts.*
52.216-7	**71**	Unallowable Costs. *Allowable cost and payment.*
52.216-8, 216-10, & 216-11	**67**	Invoices. *Fee arrangements under cost reimbursement contracts.*
52.216-10	**74**	Price and Fee Adjustments. *Incentive fee adjustments.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.216-10 *through* 12	**17**	Contract Types — Pricing Arrangements. *Related provisions and clauses.*
52.216-15	**67**	Invoices. *Predetermined indirect cost rates (cost reimbursement R&D contracts with educational institutions).*
52.216-15	**72**	Payment of Indirect Costs. *Predetermined indirect cost rates (cost reimbursement R&D contracts with educational institutions).*
52.216-16 & 17	**17**	Contract Types — Pricing Arrangements. *Related provisions and clauses.*
52.216-16 & 17	**67**	Invoices. *Payment under fixed price incentive contracts.*
52.216-16 & 17	**72**	Payment of Indirect Costs. *Payment under fixed price incentive contracts.*
52.216-16 & 17	**74**	Price and Fee Adjustments. *Incentive price adjustments.*
52.216-18 *through* 22	**18**	Recurring Requirements. *Indefinite delivery provisions and clauses.*
52.216-18 *through* 22	**60**	Task And Delivery Order Contracting. *Related clauses.*
52.216-23 *through* 26	**19**	Unpriced Contracts. *Related clauses.*
52.216-26	**67**	Invoices. *Payments of allowable costs before the definitization of letter contracts.*
52.216-26	**72**	Payment of Indirect Costs. *Payments of allowable costs before the definitization of letter contracts.*
52.216-27 & 28	**60**	Task And Delivery Order Contracting. *Related clauses.*
52.217-2	**18**	Recurring Requirements. *Multiyear contract cancellation.*
52.217-3 *through* 217-5	**14**	Price Related Factors *Options.*
52.217-3	**33**	Price Analysis (Sealed Bidding). *Evaluation criteria exclusive of options.*
52.217-3 - 9	**18**	Recurring Requirements. *Option clauses.*
52.217-3 *through* 217-5	**37**	Price Analysis (Negotiation). *Evaluation of options.*
52.217-4	**33**	Price Analysis (Sealed Bidding). *Evaluation criteria of options exercised at time of award.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.217-5	**33**	Price Analysis (Sealed Bidding). *Evaluation of options.*
52.217-6 *through* 217-9	**59**	Options. *Option clauses.*
52.219-1	**53**	Protests. *Representations as a small business concern, HUBZone small business, small disadvantaged business concern, or as a women-owned small business.*
52.219-3	**11**	Set-Asides *Notice of Total HUBZone set aside.*
52.219-4	**14**	Price-Related Factors *Notice of Price Evaluation Preference for HUBZone small business concerns.*
52.219-6	**25**	Oral Solicitation. *Notice of Total Small Business Set-Aside*
52.219-6 – 9, 11-12 52.219-14	**11**	Set-Asides *Related provisions and clauses.*
52.219-8 *through* 219-10	**49**	Subcontracting Requirements. *Small business subcontracting requirements.*
52.219-9	**57**	Subcontracting Requirements. *Small business and small disadvantaged business subcontracting plans.*
52.219-10	**57**	Subcontracting Requirements. *Incentive Subcontracting Program*
52.219-11 52.219-12	**12**	8(a) Procurements. *Related clauses.*
52.219-12	**57**	Subcontracting Requirements. *Special 8(a) Subcontract Conditions*
52.219-14	**12**	8(a) Procurements. *Related clauses.*
52.219-14	**48**	Responsibility. *Limitations on subcontracting (50% rule).*
52.219-14	**56**	Consent To Subcontracts & Purchasing System Reviews. *Limits on amount of subcontracting.*
52.219-16	**57**	Subcontracting Requirements. *Limitations in Subcontracting*
52.219-16	**57**	Subcontracting Requirements. *Liquidated Damages - Subcontracting Program*
52.219-16	**64**	Commercial/Simplified Acquisition Remedies. *Liquidated damages for failing to comply with the subcontracting plan (if 52.219-16 was incorporated by an addendum to 52.212-4).*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.219-17 52.219-18	**12**	8(a) Procurements. *Related clauses.*
52.219-22	**53**	Protests. *Representation of status of current or pending consideration as a small disadvantaged business concern for the purpose of obtaining a price adjustment under FAR 52.219-23.*
52.219-23	**14**	Price Related Factors *Notice of price evaluation adjustments for small disadvantaged business concerns.*
52.219-23	**33**	Price Analysis (Sealed Bidding). *Notice of price evaluation adjustments for small disadvantaged business concerns.*
52.219-23	**37**	Price Analysis (Negotiation). *Notice of price evaluation adjustments for small disadvantaged business concerns.*
52.219-24 & 25	**15**	Non-Price Evaluation Factors. *Provision and clause to insert when considering the extent of participation of SDB concerns in contract performance.*
52.219-25 & 26	**49**	Subcontracting Requirements. *Clauses related to monetary incentives or award fee factors for exceeding monetary targets for SDB participation.*
52.219-25 & 26	**57**	Subcontracting Requirements. *Clauses related to reporting and paying incentives for exceeding targets for SDB participation.*
52.222-1	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Notice of labor disputes.*
52.222-2	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Payment for overtime premiums.*
52.222-3	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Convict labor.*
52.222-4	**65**	Remedies (Noncommercial). *Contract work hours and safety standards act—overtime compensation.*
52.222-4	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Contract work hrs. and safety stds. act-overtime compensation.*
52.222-4	**67**	Invoices. *Withholdings for unpaid wages under the Contract Work Hours and Safety Standards Act.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.222-18	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Union dues.*
52.222-20	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Walsh-Healy requirements to pay the minimum wage.*
52.222-21	**34**	Responsiveness. *Certification of nonsegregated facilities.*
52.222-22	**34**	Responsiveness. *Previous contracts and compliance reports.*
52.222-24	**48**	Responsibility. *Pre-award on-site EEO compliance review.*
52.222-25	**34**	Responsiveness. *Affirmative action compliance.*
52.222-26	**64**	Commercial/Simplified Acquisition Remedies. *Cancellation, suspension, or termination of the contract under FAR 52.222-26, "Equal Opportunity" (incorporated by reference if checked in FAR 52.212-5).*
52.222-26	**65**	Remedies (Noncommercial). *Equal Opportunity.*
52.222-26	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Equal Opportunity.*
52.222-28	**56**	Consent To Subcontracts & Purchasing System Reviews. *EEO clearance of subcontracts.*
52.222-35	**65**	Remedies (Noncommercial). *Affirmative action for special disabled and Vietnam era veterans.*
52.222-35	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Affirmative action for special disabled and Vietnam era veterans.*
52.222-36	**65**	Remedies (Noncommercial). *Affirmative action for handicapped workers.*
52.222-36	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Affirmative action for handicapped workers.*
52.222-37	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Affirmative action for special disabled and Vietnam era veterans.*
52.222-40 & 41	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Service Contract Act.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.222-41	**64**	Commercial/Simplified Acquisition Remedies. *Withholding of payments and termination under FAR 52.222-41, "Service Contract Act of 1965, As Amended" (incorporated by reference if checked in FAR 52.212-5).*
52.222-41	**65**	Remedies (Noncommercial). *Service contract act.*
52.222-41	**67**	Invoices. *Withholdings for unpaid wages under the Contract Work Hours and Safety Standards Act.*
52.222-41	**67**	Invoices. *Withholdings of payments under the Service Contract Act.*
52.222-41 *through* 222-44	**8**	Services. *Clauses related to the Service Contract Act.*
52.222-44	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Service Contract Act.*
52.222-45 & 46	**40**	Cost Analysis. *Evaluation of compensation for professional employees.*
52.222-47 *through* 222-49	**8**	Services. *Clauses related to the Service Contract Act.*
52.223-1	**34**	Responsiveness. *Clean air and water certification.*
52.223-1	**48**	Responsibility. *Clean air and water certification.*
52.223-2	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Clean air and water.*
52.223-3	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Hazardous material identification and material safety data.*
52.223-4	**6**	Requirements Documents. *Recovered Material Certification.*
52.223-4	**34**	Responsiveness. *Recovered material certification.*
52.223-5	**48**	Responsibility. *Drug free certification.*
52.223-6	**67**	Invoices. *Suspension of payments for failing to comply with requirements for a drug free work place.*
52.223-6	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Enforcing requirements to maintain a drug-free workplace.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.223-9	**6**	*Certification and Estimate of Percentage of Recovered Material for EPA* Requirements Documents. *Designated Items.*
52.224-2	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Enforcing the Privacy Act.*
52.225-1	**34**	Responsiveness. *Buy American certificate.*
52.225-6	**34**	Responsiveness. *Balance of Payments program certificate.*
52.225-8	**34**	Responsiveness. *Buy American/Trade Agreements/Balance of Payments certificate*
52.225-10	**67**	Invoices. *Reduction of price when supplies enter duty-free.*
52.225-10	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Executing any required duty-free certificates.*
52.225-11	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Responding to contractor requests to purchase supplies or services from certain communist areas.*
52.226-1	**49**	Subcontracting Requirements. *Indian incentive program.*
52.227-1 *through* 227-3	**80**	Intellectual Property. *Patents.*
52.227-6 *through* 227-8	**37**	Price Analysis (Negotiation). *Royalties.*
52.227-6 *through* 227-8	**40**	Cost Analysis. *Royalty data.*
52.227-9	**67**	Invoices. *Refund of royalties.*
52.227-10 *through* 227-13	**80**	Intellectual Property. *Patents.*
52.227-14 & 227-16 *through* 227-20	**80**	Intellectual Property. *Rights in data.*
52.228-1	**21**	Need for Bonds. *Bid guarantee.*
52.228-2	**21**	Need for Bonds. *Additional bond security.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.228-2	**69**	Administering Securities. *Additional bond security.*
52.229-1 *through* 229-10	**40**	Cost Analysis. *Taxes.*
52.230-1 *through* 230-6	**77**	Cost Accounting Standards. *CAS-related clauses and provisions.*
52.232 -12	**70**	Administering Financing Terms. *Advance payments.*
52.232-1 *through* 232-3.	**72**	Payment of Indirect Costs. *Payment clauses.*
52.232-1 *through* 232-3.	**67**	Invoices. *Payment clauses.*
52.232-7	**73**	Limitation of Costs. *Payments under Time-and-Materials and Labor-Hour contracts.*
52.232-7 *through* 232-9	**67**	Invoices. *Payments under Time-And-Materials and Labor-Hour contracts.*
52.232-8	**22**	Method of Payment. *Prompt payment discounts.*
52.232-8	**67**	Invoices. *Discounts for prompt payment.*
52.232-9	**67**	Invoices. *Limitation on withholding of payment.*
52.232-11	**67**	Invoices. *Extras*
52.232-12 *through* 232-16	**20-2**	Noncommercial Contract Financing. *Related clauses.*
52.232-14 52.232-15	**34**	Responsiveness. *Rejection of bids as nonresponsive if conditioned upon progress payments.*
52.232-16	**70**	Administering Financing Terms. *Progress payments.*
52.232-16	**71**	Unallowable Costs. *Disallowance of costs in progress payment requests.*
52.232-16	**76**	Accounting and Estimating Systems. *Requirement to maintain an accounting system and controls adequate for proper administration of progress payments.*
52.232-17	**75**	Collecting Contractor Debts. *Interest.*
52.232-18 52.232-19	**4**	Funding. *Availability of funds.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.232-20	**73**	Limitation of Costs. *Limitation of cost.*
52.232-22	**73**	Limitation of Costs. *Limitation of funds (incrementally funded cost reimbursement contracts.*
52.232-23	**68**	Assignment of Claims. *Assignment of claims clause.*
52.232-24	**68**	Assignment of Claims. *Prohibition of assignment of claims.*
52.232-25	**67**	Invoices. *Prompt payment.*
52.232-28	**67**	Invoices. *Electronic Funds Transfer Payment Methods.*
52.232-29 *through* 52.232-31	**70**	Administering Financing Terms. *Commercial item financing clauses.*
52.232-29 *through* 52.232-31	**20-1**	Commercial Financing. *Related clauses.*
52.232-32	**20-2**	Noncommercial Contract Financing. *Related clauses.*
52.232-33 & 34	**22**	Method of Payment. *Electronic Funds Transfer Payment Methods (Mandatory & Optional).*
52.233-1	**82**	Claims. *Disputes.*
52.233-2	**53**	Protests. *Service of protest.*
52.233-3	**53**	Protests. *Protest after award.*
52.233-6	**65**	Remedies (Noncommercial). *Drug free workplace requirements.*
52.237-1	**28**	Prequote/Prebid/Preproposal Conference. *Site visits for other than construction.*
52.237-2	**81**	Administering Socio-Economic And Misc. Terms And Conditions. *Protection of government buildings, equipment, and vegetation.*
52.237-3	**84**	Closeout. *Continuity of services.*
52.237-10	**40**	Cost Analysis. *Identification of uncompensated overtime.*
52.242- 15	**63**	Stop Work. *Stop-Work Order*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.242-1	**71**	Unallowable Costs. *Notice of intent to disallow costs.*
52.242-2	**6**	Requirements Documents. *Production progress reports.*
52.242-2	**61**	Monitoring, Inspection, & Acceptance. *Production progress reports.*
52.242-3	**72**	Payment of Indirect Costs. *Penalties for unallowable costs.*
52.242-10 & 11	**67**	Invoices. *Government bills of lading.*
52.242-12	**61**	Monitoring, Inspection, & Acceptance. *Reports of shipments.*
52.242-13	**76**	Accounting and Estimating Systems. *Bankruptcy.*
52.242-17	**62**	Delays. *Government Delay of Work*
52.243-1 *through* 243-3	**58**	Contract Modifications. *Changes clauses.*
52.243-6	**58**	Contract Modifications. *Change order accounting.*
52.243-7	**58**	Contract Modifications. *Notification of changes.*
52.243-7	**82**	Claims. *Notification of changes.*
52.244-2	**7**	Use Of Government Property And Supply Sources. *Approval and notification terms and conditions for facilities and special test equipment*
52.244-2	**56**	Consent To Subcontracts & Purchasing System Reviews. *Subcontract clearance requirements.*
52.244-5	**56**	Consent To Subcontracts & Purchasing System Reviews. *Requirement to compete subcontracts.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.245-1 52.245-2 52.245-4 52.245-5 52.245-7 52.245-10 52.245-11 52.245-17 52.245-18	**79**	Property Administration. *Government property clauses*
52.245-2 52.245-5 52.245-7 52.245-10 52.245-11 52.245-19	**7**	Use Of Government Property And Supply Sources. *Terms and conditions for Government property.*
52.245-18	**7**	Use Of Government Property And Supply Sources. *Approval and notification terms and conditions for facilities and special test equipment*
52.246-1 *through* 246-9	**61**	Monitoring, Inspection, & Acceptance. *Inspection and acceptance clauses.*
52.246-2 *through* 246-5	**6**	Requirements Documents. *Inspection of supplies and services.*
52.246-2 *through* 246-8	**65**	Remedies (Noncommercial). *Inspection and acceptance clauses.*
52.246-11	**61**	Monitoring, Inspection, & Acceptance. *Inspection and acceptance clauses.*
52.246-11	**6**	Requirements Documents. *Higher-level contract quality requirements.*
52.246-15	**6**	Requirements Documents. *Certificates of conformance.*
52.246-15	**61**	Monitoring, Inspection, & Acceptance. *Certificates of conformance.*
52.246-15	**65**	Remedies (Noncommercial). *Certificate of conformance.*
52.246-16	**6**	Requirements Documents. *Responsibility for supplies.*
52.246-16	**61**	Monitoring, Inspection, & Acceptance. *Responsibility for supplies.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.246-17 *through* 20	**64**	Commercial/Simplified Acquisition Remedies. *Warranty clauses.*
52.246-17 *through* 20	**65**	Remedies (Noncommercial). *Warranty clauses.*
52.246-2 *through* 246-5	**6**	Requirements Documents. *Inspection of supplies and services.*
52.247-1	**67**	Invoices. *Commercial bills of lading.*
52.247-4	**28**	Prequote/Prebid/Preproposal Conference. *Inspection of Government shipping and receiving facilities.*
52.247-6	**48**	Responsibility. *Requirement to submit a financial statement, as a basis for determining responsibility.*
52.247-29	**79**	Property Administration. *FOB point for delivery of government furnished property.*
52.247-29 *through* 247-44	**6**	Requirements Documents. *Packing, marking and delivery points.*
52.247-29 *through* 247-44; 52.247-48 52.247-58 52.247-59 & 52.247-61 *through* 64	**61**	Monitoring, Inspection, & Acceptance. *Delivery terms.*
52.247-45	**14**	Price Related Factors *Transportation. (Also 52.247-45 through 47; and 247-49 through 51, 56-60, and 62.)*
52.247-45	**37**	Price Analysis (Negotiation). *Evaluation of transportation factors (also 52.247-46, 47, 49, 50, 51, 56, 57, 59, 60 & 62).*
52.247-63	**67**	Invoices. *Preference for U.S.-Flag air carriers (disallowance of expenditures from funds for international air transportation secured aboard a foreign-flag carrier).*
52.248-1	**58**	Contract Modifications. *Value engineering.*
52.249-1 52.249-2 52.249-4 52.249-5	**83**	Termination. *Termination for convenience.*

FAR CROSS REFERENCE

FAR §	Unit	Unit Title *(Relevance of FAR § to the Unit)*
52.249-12	**83**	Termination. *Termination (Personal Services).*
52.249-14	**62**	Delays. *Excusable delays (under cost reimbursement contracts).*
52.249-6	**83**	Termination. *Termination (Cost-Reimbursement).*
52.249-8 52.249-9	**83**	Termination. *Default*
52.249-8 & 9	**62**	Delays. *Default clauses (including language on excusable delays).*
52.249-8 & 9	**65**	Remedies (Noncommercial). *Default clauses.*
52.251-1	**7**	Use Of Government Property And Supply Sources. *Government supply sources.*
52.252-1 *through* 252-6	**26**	Solicitation Preparation. *Alterations, and deviations, and incorporation by reference.*
52.252-1 52.252-2	**27**	Preaward Inquiries. *Incorporation of provisions and clauses by reference.*
52.252-2 52.252-4 52.252-6	**50**	Preparing Awards. *Incorporation by reference, alterations, and deviations.*
52.3	**26**	Solicitation Preparation. *Matrices.*
App B	40	Cost Analysis. *Cost accounting standards*

Award fee adjustments.	**74** (Part C)
Award without discussion	16 (task A6), 27 (task A6), **42**, & 52 (task B3)
Awards; preparation and issuance	**50** & **51**
Basic ordering agreements.	9 (task A4), **18**, & **60** (Part E)
Best value	0, 15, 16, 38, 42, 44 – 46 & 60
Bid acceptance periods	**31**
Bid opening	**30**
Bids (see invitations for bids)	
Blanket purchase agreements	6 (task 13), 9 (task A4), & **18** (tasks 1 & 3)
Bonds	20.1, **21**, 32 (task 4), 41 (task 5), 55 (task 10), & **69**
Brand name	6 (task 5)
Calls against Blanket Purchase Agreements (see "Blanket Purchase Agreements")	
Canceling contracts	18 (task 7), 53 (tasks A5, B2, & B9), 63, 64, 65, & 83
Canceling solicitations	4 (task 4), 27 (task A5), **29**, 33 (task 7), 36 (tasks A5 & B2), 37 (task 6), 50 (task A1), & 53 (tasks A5, B2, B4, & B9)
Certificates of competency	**48** (tasks 7, 9, &12)
Certificates of cost or pricing data	**38** (task C8) & **78**
Change orders	**58** (tasks 7, 9, &10), 61 (task A2), & 62 (task 1)
Claims	58 (tasks A8 & A9), 61 (task A9), 62 (tasks 1 & 5) 63 (tasks 5 & 10), 64 (tasks D5 & E7), 65 (tasks E5 & F4), 67 (tasks 3 & E7), **68**, 71 (task 5), 76 (task C3), **82**, 83 (task B14), & 84 (task 2)
Closeout; Contract	**84**
Closeout; Quick (see "Quick Closeouts")	
Commerce Business Daily (CBD) (Also see Synopsis)	1 (task 4d), 5 (Part B), 9 (tasks C2 & C7), 10, 11 (task 5), 10B (task 8), 15 (tasks 3 & 18), 16 (task B2), 18 (task 1 footnote), **24**, 26, 28 (task 4), 29, 51, 59 (task B3), & 60 (tasks D7 & E2).
Commercial item	2 (Standard), 3 (task 7), 5 (task A1), 6 (tasks 2, 5, 7, 11, 12, & 13), 15 (tasks 1, 2, 4, 5, 14, & 19), 17 (Standard), 18 (task 1 — use of BPAs), 20.1 (task 1), 21 (task 1), 22 (task 3), 26 (tasks A1, A2, A4, B1, B3, B4, C1, C2, & C3), 36 (tasks A5 & B6), 38 (task A2), 40 (task 11), 47 (task 5), 48 (task 5), 49 (task B1), 64, & 77 (Appendix I).
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Competition requirements	2 (task 4B), 3 (Appendix I), 6 (tasks 5, 8, & 8.2) , 7 (task B3), **10**, 10B (tasks 6 & 7), 11, 12, 15 (task 2), 18 (task 1), 24 (task 4), 26 (task B2), 29 (task A2), 50 (task B7), 59 (task 1), & 60 (task A7)
Competitive Range	29 (task A6), 35 (task 2), 36 (Standards, task C1), 37 (task 6), 43, **44**, 45, 46, 47 (task 5), 52 (task B3), & 76 (task A5).
Conflict of interest	**8** (task A6) & 36 (task B3)
Consent to subcontracts	**56**, 57, & 79 (task 4)
Constructive changes	54 (task 8) & **61** (tasks A2, A5, & A9)
Contract administration planning	23, **54**, & 61
Contract modifications	4 (task 4), 8 (task B14), 20.2 (task B6), 38 (task A5), 45 & 46 (negotiating post-award contract modifications), 55 (task 7), **58** (Part A), 59 (task 8), 60 (task A1), 61 (task A10), 62 (task 4), 63 (tasks 1 & 6), 64 (task B6), 65 (task B6), 67 (task 3), 69 (task 2), 70 (tasks B2, B7, B11, & B12), 73 (tasks 5 & 9), 78 (task 9), 79 (task 12), & 82 (task 5)
Contract types — determining the pricing arrangement	**17** & 41 (task 1)
Contracting Officer Representatives	0, **54**, **61**, 66, 80 (Standard), 81(Standard), & 85 (task 1).
Contractor acquired government property	6 (task 4), 7, & 79
Cost accounting standards	58 (task A7) & **77**
Cost analysis	12 (task 10), 38 (task C6), **40**, 41 (task 1), 49 (tasks C1 & C3), & 60 (task A6)
Cost estimating systems.	**76** (Part B)
Cost or Pricing Data.	37 (Standard), **38**, 39, 40, 49, 56 (task B5), 58, 76 (task B1), 78, & 83 (task B4)
Cost plus award fee contracts.	**17** (tasks 1 & 5c, Part H, & Appendix I), 40 (task 16), **74** (Part C), & 84 (task 4)
Cost plus fixed fee contracts.	**17** (tasks 1 & 5a, Part F, & Appendix I), 40 (task 10), & 67 (Appendix I)
Cost plus incentive fee contracts.	**17** (tasks 1 & 5b, Part G, & Appendix I), 40 (task 15), 67 (Appendix I), **74** (Part D), & 84 (task 4)
Cost plus percentage of cost contracts	**17** (Standard)
Cost reimbursement contracts	7 (tasks B5 & C2), 15 (task 7), **17** (tasks 2 & 5), 19 (task A2 & B6), 40 (tasks 8 &12), 49 (task C5), 67 (Appendix I), 72, 73, 76 (task A1), & 83 (tasks B4, B15, & C5)

Cost—no fee & cost sharing contracts.	**17** (tasks 1 & 5d &Appendix I)
Cure and show cause notices.	**64** (task A3 & E7, Part B, & Appendix I), **65** (tasks A3, Part B, & Appendix I), & 83 (tasks A1 & C1)
Data rights	1 (task 4d), 5 (task A1), 10 (task 3), 21 (task 2), 41 (task 5), 45 (task A4), **80**, & 84 (task 2)
Debarment; debarred parties and debarred sureties	21 (task4), 35 (task 7), 48 (standard & tasks 1, 2 & 9), 59 (task 1), 65 (Appendix I), & 66 (tasks 9 - 11), 69 (task 7) & 85 (task 3)
Debriefing	36 (Standard), 43 (task 2), 46 (task 10), **47**, & 53 (task B2)
Debt collection	65 (task C7), 67 (task 3 & Appendix I), 70 (tasks B8), **75**, & 83 (task A2)
Defective pricing	58 (task 7), 75 (task 6), & **78**
Definite Quantity Contracts	9 (task A4), 17 (Appendix I), & **18** (tasks 1 & 5)
Delays	60 (task E6), 61 (task 8), **62**, 64 (task B3 & Appendix I), 65 (task B3, task C5, & Appendix I), 74 (task D3), & 83 (Appendix I)
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Delivery Order Contracts	9 (task A4), **18**, & **60**
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Disclosure statements.	**77** (tasks A5 - A7 & Part B)
Discussions with offerors (FAR Part 15)	8 (task A6), 12 (task 6), 16 (tasks A3, A4, & A6), 27 (task A6), 36 (Part B; tasks D6 & D8), 38 (tasks B5 & C6), 42, 44, 45, **46**, 52 (task B3), 55 (task 1), & 60 (task D4)
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