

Section 2: Negotiated Contracts/Simplified Acquisition Process

Negotiated Contracting

Objectives

- Identify or Define:
 - 1.Acquisition Planning
 - 2.Full and Open Competition
 - 3.Difference between Sealed Bidding and Negotiation, and a Key Advantage of Negotiated Contracting
 - 4.Evaluation Process

Definition

“Negotiation” means contracting through the use of either competitive or other-than-competitive proposals and discussion. Any contract awarded without using sealed bidding procedures is a negotiated contract.



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Negotiation

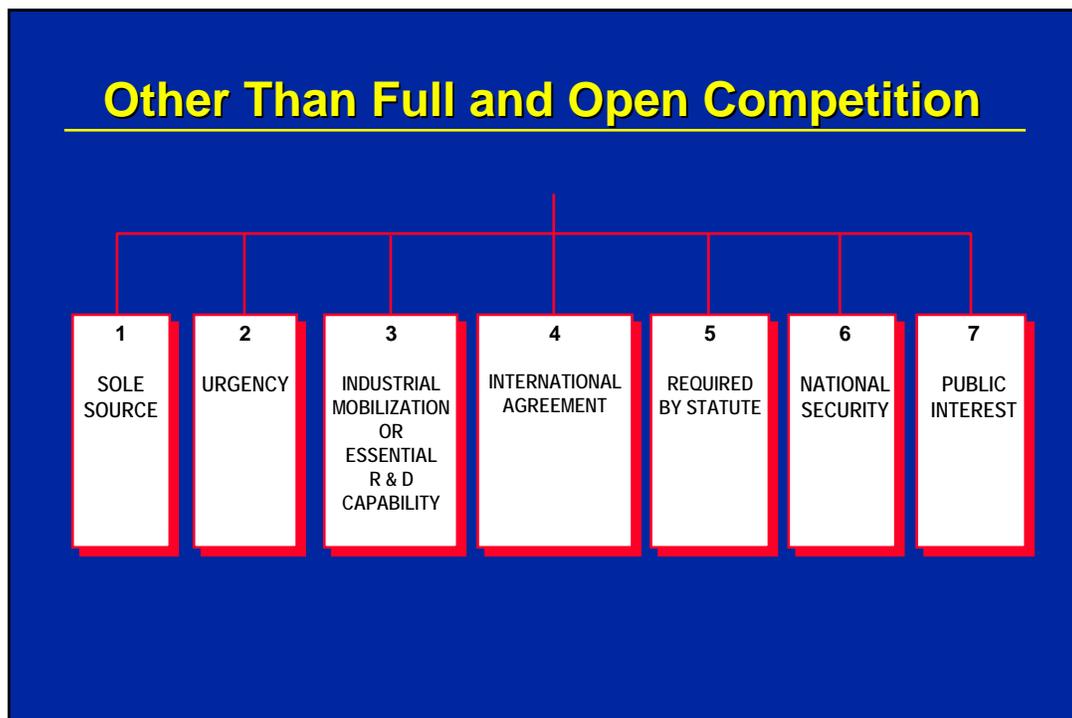
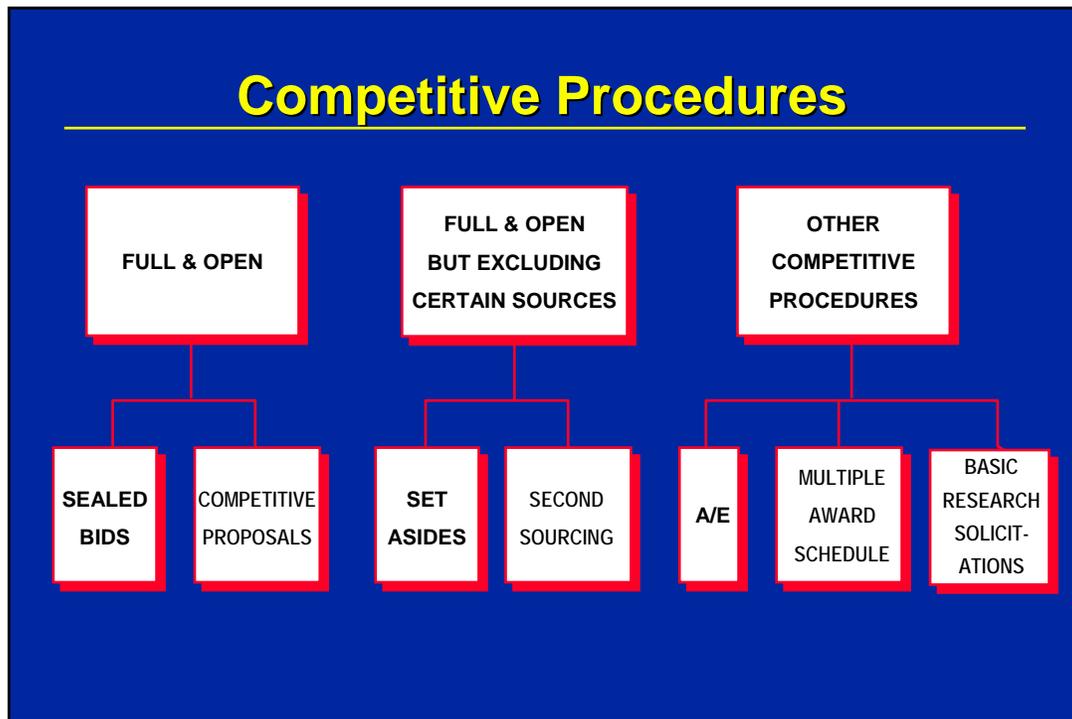
- Negotiation is a Procedure That Includes:
 1. Receipt of Proposals from Offerors
 2. Bargaining
 3. Allowing Offerors to revise their Offer before Award of Contract

Full and Open Competition

“Full and Open Competition” when used with respect to a contract action, means that all responsible sources are permitted to compete.



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Sealed Bidding

Requisition w/SOW

Synopsise

Issue IFB

Open Bids (Public Bid Opening)

Evaluate Bids for
Responsiveness and
Responsibility

Award to Lowest Responsive
and Responsible Bidder

Negotiation

(Competitive Proposals)

Requisition w/SOW

Determine Contract Type

Develop Evaluation Factors

Synopsise

Issue RFP

Appoint Source Selection Team

Open Proposals (Not Public)

Evaluate Proposals Based on
Evaluation Factors

Determine Offeror Responsibility

Award to Offer Most

Advantageous to The
Government, Price and Other
Factors Considered

Negotiated Procurements

Require An Understanding Of:

- Acquisition Planning
- Full and Open Competition Procedures
- The Solicitation Process
- Proposal Receipt and Confidentiality Protection Requirements
- Proposal Evaluation and Award Process



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Simplified Acquisition Process

Objectives

- Course participants will be able to identify, state, and/or define correctly the following aspects of the small purchase procedures and gate attendant contracts.
 - Benefits
 - Authority
 - Contracting Methods
 - Contracting Officer/Ordering Officer Authority and Responsibility
 - Changing, Canceling, or Terminating Contracts Under the Simplified Acquisition Process

Benefits

- Offers a variety of authorized simplified purchasing methods tailored to meet your needs.
- Ordering Officers authority may be an option which will enhance effective management in field operations.
- Provides maximum flexibility in an otherwise closely regulated environment.
- Reduces administrative costs.



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Authority

- Authorized For:
 - Purchases initially estimated not to exceed the “Simplified Acquisition Threshold”
 - Acquisition of supplies, nonpersonal services, and construction from commercial sources
 - Acquisition from Government supply sources when authorized by the basic contract or concurred in by source

Standard Form 44

(Purchase Order/Invoice/Voucher)

A purchasing method designed for on-the-spot, over the counter purchases of supplies and nonpersonal services while away from the purchasing office or at isolated activities. This is a multi-purpose form designed to be used as a purchase order, receiving report, invoice, and public voucher



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Conditions and Limitations for Use of SF 44

- Purchase amount is not over \$2,500, except in circumstances of unusual and compelling urgency. Purchase of aviation and oil may be made in an amount not to exceed \$25,000.
- Supplies or services are immediately available.
- One delivery and one payment will be made.
- Determined to be more economical and efficient than other small purchase methods.
- No contract clauses are needed or required.
- Funds are available and the purchase is otherwise authorized for local purchase.

Government-Wide Commercial Credit Card

- Provides a simplified small purchase process and improves cash management practices. The credit card will achieve this in the following ways:
 - Streamline payment procedures and reduce administrative costs for acquisitions of supplies and services under the “Simplified Acquisition Threshold”
 - Improve Government cash management practices (e.g., forecasting, consolidating payments, reducing imprest funds, etc.).
 - Provide procedural checks and feedback to improve management control and decision making.



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Conditions for Use of Credit Card

- Total purchase cannot exceed the authorized single purchase limit stated in cardholder's Delegation of Authority
- Obtain pricing and delivery information prior to asking if vendor accepts credit card
- Approving official will ensure that disposition of items is in accordance with applicable property regulations

Conditions for Use of Credit Card (Cont.)

- Authorization required by FAR, DFARS, or other regulations for particular types of equipment (ADP, etc.) Must be completed prior to placing order.
- Cardholder will not inform the contractor of any personal information, such as Social Security Number, Address, etc.
- Intentional use of the VISA Card for non-approved purposes will be considered an attempt to commit fraud and will result in immediate cancellation of card as well as disciplinary action.



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Order for Supplies or Services (DD Form 1155)

- **Definitions:**
 - **Purchase Order** - An offer by the Government to buy certain supplies or nonpersonal services from commercial sources, upon specified terms and conditions. A purchase order becomes a contract by written acceptance or performance.
 - **Unpriced Order** - An order for supplies or services, the price of which is not established at the time of issuance of the order.
 - **Blanket Purchase Order** - A simplified method of filling anticipated repetitive needs for supplies or services by establishing charge accounts with qualified sources for supply.

Orders for Supplies or Services (DD Form 1155 Cont.)

- **Delivery Order** - An order for supplies or services placed against an established contract or with Government sources of supply.
- **Offer** - A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract.
- **Quotation** - A quotation is for information purposes only. It is not an offer and cannot be accepted by the Government to form a binding contract.



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Conditions and Limitations for Use - Purchase Order

- Fixed Price - Not to exceed the simplified acquisition threshold.
- Include trade and prompt payment discounts.
- Specify quantity of supplies or services ordered.
- Inspection and acceptance at destination.
- F.O.B. destination unless valid reason to contrary.
- Contain calendar data on which delivery is required.
- Contain appropriate contract clauses.
- Contain contractors written acceptance when in Government's best interest

Small Business Set-Aside

- I. Required for all purchases exceeding \$2,500.00 and up to \$100,000.00.
- II. Determining small business size standard.

FAR PART 19

	<u>SIC Code</u>		<u>Size Standard</u>
Supply	3273	Ready-Mixed Concrete	500 employees
Service	1771	Concrete Finisher	\$7 Million



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Unpriced Purchase Order

- May be used when the transaction will not exceed the small purchase limit.
- May be used when it is impractical to obtain pricing in advance of issuance of the purchase order.
- Used for:
 - Repair of equipment requiring disassembly to determine nature and extent of repair.
 - Sole source and cost cannot be readily established.
 - Supplies or service for which prices are known to be competitive but exact price not known.
- Shall state monetary limitation.

Blanket Purchase Order Agreement (BPA)

- Repetitive needs of wide variety of items when delivery schedule cannot be determined in advance.
- Provide commercial sources for supplies or services to isolated projects which do not have or need authority to purchase otherwise.
- Avoid writing of numerous purchase orders.



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Conditions For Use Of Blanket Purchase Agreement

- Establish without purchase requisition
- Give all competitive sources an equal opportunity to furnish the supplies or services
- Must contain a beginning and expiration date
- Specify dollar limit for each individual purchase under the BPA
- Specify personnel authorized to place calls under the BPA
- Both contractor and Government must maintain internal controls identifying and summarizing all calls placed under a BPA

Contracting Officer/Ordering Officer Authority

- May bind the Government only to the extent of the authority delegated to them.
- No contract shall be entered into unless the Contracting Officer/Ordering Officer ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearance and approvals have been met.



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Contracting Officer/Ordering Officer Responsibilities

- Small Business Set-Aside
- Competition
- Fair and Reasonable Price
- Funds Availability

Applicability of Labor Clauses

- Construction in Excess of \$2,000 (Davis-Bacon)
- Service in Excess of \$2,500 (Service Contract Act)
- Supply in Excess of \$10,000 (Walsh-Healey Act)



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Modification of Purchase Orders (Standard Form 30)

- Administrative Changes
- Unilateral
- Bilateral

Cancellation Versus Termination

- Cancellation:
 - Notify Contractor in Writing
 - Request Contractor Acceptance of Cancellation
 - No Cost, No Contractor Claim
- Termination:
 - Contractor has Accepted Order
 - Contractor Refuses to Accept Cancellation
 - Contractor Claims Settlement Costs Due

