

FAI Acquisitions Master Glossary

Term	Definition
1102	Federal Government job series number for procurement personnel
8(a)	See "Section 8(a)"
AbilityOne	AbilityOne (formerly JWOD) provides employment opportunities for over 40,000 Americans who are blind or have other severe disabilities by orchestrating government purchases of products and services provided by nonprofit agencies employing such individuals throughout the country.
Acquisition	The acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.
Acquisition plan	A comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.
Acquisition planning	The process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.
Acquisition workforce	Program Managers, Project Managers, Procurement Technicians, Procurement Clerks, most CORs, and all personnel that are neither Contract Specialists nor certified Contracting Officers.
Acquisition, Policy and Oversight Division	A division of a Federal Government contracting office responsible for policy implementation and quality control of contracting operations.
ADR	See "Alternative dispute resolution"
AEO	Agency Ethics Official
Aggregate award of all line items to one contractor	Awarding all line items to a single contractor is usually appropriate when suppliers sell the contract items as an integrated unit.
Allocable	A cost is properly allocable to a contract if it is incurred specifically for the contract or is incurred for another activity that also benefits the contract. With regard to the allocability of costs claimed, the COR must look for any direct costs that appear to have no connection with the contract work. If the COR cannot understand why the contractor would need billed materials or effort to perform the contract, then the costs may have been charged to the contract in error.
Alternative dispute resolution	ADR includes dispute resolution processes and techniques that fall outside of the government judicial process. Despite historic resistance to ADR by both parties and their advocates, ADR has gained widespread acceptance among both the general public and the legal profession in recent years. In fact, some courts now require some parties to resort to ADR of some type, usually mediation, before permitting the parties' cases to be tried. The rising popularity of ADR can be explained by the increasing caseload of traditional courts, the perception that ADR imposes fewer costs than litigation and provides greater confidentiality. FAR 33.214 discusses ADR.
American Recovery and Reinvestment Act of 2009	The American Recovery and Reinvestment Act of 2009 (Pub L. 111-5), is an economic stimulus package enacted by the 111th United States Congress in February 2009. The Act was intended to provide a stimulus to the U.S. economy in the wake of the economic downturn. The measures are nominally worth \$787 billion. The Act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending in education, health care, and infrastructure, including the energy sector. The Act also includes numerous non-economic recovery related items that were either part of longer-term plans (e.g. a study of the effectiveness of medical treatments) or desired by Congress (e.g. a limitation on executive compensation in federally aided banks). The ARRA is much larger than the Economic Stimulus Act of 2008, which consisted primarily of tax rebate checks.
Anti-Deficiency Act	The Anti-Deficiency Act prohibits Government officials and employees from obligating or spending more money than has been made available by OMB, their agency, and the Finance Office. Violations of the Act could result in penalties including suspension without pay, removal from office, monetary fines, and/or jail time.
AP	See "Acquisition plan"
APO	See "Acquisition, Policy and Oversight Division"
ARRA	See "American Recovery and Reinvestment Act of 2009"
BAFO	Best and final offer; see also "Final proposal revision"
Best value	The expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement.
Blanket purchase agreement	A simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply.
BOA	Basic ordering agreement
BPA	See "Blanket purchase agreement"
Bundling	Consolidating two or more requirements for supplies or services previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern.
Buy American Act	The Buy American Act requires that only domestic end products be acquired for public use, except for articles, materials, and supplies under certain circumstances.
CAGE	Commercial and Government Entity
CASO	Chief Asset Supply Officer
CBCA	See "Civilian Board of Contract Appeals"

Term	Definition
CBP	See "U.S. Customs and Border Protection"
CCF	Commercial contract format
CCO	See "Chief of the Contracting Office"
CCR	See "Central Contractor Registration database"
Central Contractor Registration database	The CCR is the primary Government repository for contractor information required for the conduct of business with the Government.
CER	Cost Estimating Relationships
Certificate of Competency	The certificate issued by the Small Business Administration (SBA) stating that the holder is responsible (with respect to all elements of responsibility, including, but not limited to, capability, competency, capacity, credit, integrity, perseverance, tenacity, and limitations on subcontracting) for the purpose of receiving and performing a specific Government contract.
Certified cost or pricing data	Includes all facts that, as of the date of price agreement that prudent buyers and sellers would reasonably affect price negotiations significantly. Cost or pricing data are factual, not judgmental, and include facts forming the basis for future cost projections, contributing to soundness of estimates, and contributing to the validity of costs already incurred.
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CG	See "Comptroller General"
Change order	A written order, signed by the contracting officer, directing the contractor to make a change that the Changes clause authorizes the contracting officer to order without the contractor's consent.
Chief of the Contracting Office	The highest level procurement official in a Federal Government contracting office.
CI	See "Commercial item"
CICA	See "Competition in Contracting Act"
CIO	Chief Information Officer
Civilian Board of Contract Appeals	The CBCA was established by section 847 of the National Defense Authorization Act for Fiscal Year 2006 to hear and decide contract disputes between government contractors and executive agencies under the provisions of the Contract Disputes Act of 1978, 41 U.S.C. §§ 601-613, and regulations and rules issued under that statute. The Board's authority extends to all agencies other than the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the National Aeronautics and Space Administration, the United States Postal Service, the Postal Rate Commission, and the Tennessee Valley Authority.
Claim	A written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract.
Clause	See "Contract clause"
CLIN	Contract Line Item Number
CMR	Commercial Market Representative
CO	See "Contracting Officer"
COC	See "Certificate of Competency"
COI	See "Conflict of interest"
Commercial item	Any item, other than real property, that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes, and has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public.
Commercially available off-the-shelf	Commonly referred to as COTS, these are commercial items that are sold in large quantities and provided to the Government in exactly the same form as available commercially.
Community Development Corporation	An organization that has received financial assistance under the Community Economic Development Act of 1981.
Competition in Contracting Act	A Federal Law, 41 U.S.C. 253, CICA requires competition for the award of all types of government contracts. The purpose is to increase the number of competitors and to increase savings through lower, more competitive pricing.
Comptroller General	The Comptroller General of the United States is the director of the Government Accountability Office (GAO, formerly known as the General Accounting Office), a legislative branch agency founded by Congress in 1921 to ensure the fiscal and managerial accountability of the Federal Government.
Concern	Any business entity organized for profit (even if its ownership is in the hands of a nonprofit entity) with a place of business located in the United States and which makes a significant contribution to the U.S. economy through payment of taxes and/or use of American products, material and/or labor, etc. "Concern" includes but is not limited to an individual, partnership, corporation, joint venture, association, or cooperative. For the purpose of making affiliation findings (see 19.101) any business entity, whether organized for profit or not, and any foreign business entity, i.e., any entity located outside the United States, shall be included.
Conflict of interest	Organizational conflict of interest means that, because of other activities or relationships with other persons, a person is unable, or potentially unable, to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.
Contingency	A possible future event or condition arising from known or unknown causes, the outcome of which is not currently determinable

Term	Definition
Contract	A mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C.6301, et seq. For discussion of various types of contracts. See FAR Part 16.
Contract clause	A term or condition used in contracts or in both solicitations and contracts, and applying after contract award or both before and after award.
Contract requirements	Contract requirements include more than just product requirements. They include any element of the solicitation or contract that defines what the contractor must do to complete the contract successfully.
Contracting Officer	A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer. "Administrative contracting officer (ACO)" refers to a contracting officer who is administering contracts. "Termination contracting officer (TCO)" refers to a contracting officer who is settling terminated contracts. A single contracting officer may be responsible for duties in any or all of these areas.
Contracting Officer's Representative	An individual designated and authorized in writing by the contracting officer to perform specific technical or administrative functions.
Contracting Officer's Technical Representative	See "Contracting Officer's Representative"
Contractor	A business or corporation under contract to provide materials or labor to another entity.
Contractor Performance Assessment Reporting System	CPARS is a web-enabled application that collects and manages the library of automated CPARS in order to assess a contractor's performance and provide a record, both positive and negative, on a given contractor during a specific period of time. CPARS is for UNCLASSIFIED use only. Each assessment is based on objective facts and supported by program and contract management data, such as cost performance reports, customer comments, quality reviews, technical interchange meetings, financial solvency assessments, construction/production management reviews, contractor operations reviews, functional performance evaluations, and earned contract incentives.
COR	See "Contracting Officer's Representative"
Cost analysis	Determines how much it costs a contractor to make a product or provide a service.
Cost contract	The contractor is reimbursed for actual allowable costs with no fee.
Cost realism	Involves an independent review of each cost element to determine if that element is realistic, reflects the contract requirements, and is consistent with the contractor's proposal.
Cost realism analysis	The process of independently reviewing and evaluating specific elements of each offeror's proposed cost estimate to determine whether the estimated proposed cost elements are realistic for the work to be performed
Cost-based formula	Cost-based = Production cost + Reasonable profit
Cost-based pricing	A cost-based pricing approach combines the seller's cost to produce a product with a reasonable profit. Cost is based on production methods, product sales volume, and accounting methods.
Cost-plus-award-fee contract	A cost-reimbursement contract that provides for a fee consisting of (1) a base amount fixed at inception of the contract and (2) an award amount that the contractor may earn in whole or in part during performance and that is sufficient to provide motivation for excellence in such areas as quality, timeliness, technical ingenuity, and cost-effective management. The amount of the award fee to be paid is determined by the Government's judgmental evaluation of the contractor's performance in terms of the criteria stated in the contract. This determination and the methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government.
Cost-plus-fixed-fee contract	A cost-reimbursement contract that provides for payment to the contractor of a negotiated fee that is fixed at the inception of the contract. The fixed fee does not vary with actual cost, but may be adjusted as a result of changes in the work to be performed under the contract. This contract type permits contracting for efforts that might otherwise present too great a risk to contractors, but it provides the contractor only a minimum incentive to control costs.
Cost-plus-incentive-fee contract	A cost-reimbursement contract that provides for the initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs. This contract type specifies a target cost, a target fee, minimum and maximum fees, and a fee adjustment formula. After contract performance, the fee payable to the contractor is determined in accordance with the formula. The formula provides, within limits, for increases in fee above target fee when total allowable costs are less than target costs, and decreases in fee below target fee when total allowable costs exceed target costs. This increase or decrease is intended to provide an incentive for the contractor to manage the contract effectively. When total allowable cost is greater than or less than the range of costs within which the fee-adjustment formula operates, the contractor is paid total allowable costs, plus the minimum or maximum fee.
Cost-plus-percentage-of-cost contract	A cost-reimbursement contract that provides a fee that rises as the contractor's cost rise. Because this contract type provides no incentive for the contractor to control costs it is rarely utilized. The U.S. Federal Acquisition Regulations specifically prohibit the use of this type for U.S. Federal Government contracting (FAR Part 16.102).

Term	Definition
Cost-reimbursement contract	A contract that reimburses the contractor for some or all of the allowable actual costs. See also "Cost-plus-award-fee contract", "Cost-plus-fixed-fee contract", "Cost-plus-incentive-fee contract", and "Cost-plus-percentage-of-cost contract".
Cost-sharing contract	The contractor and Government share the costs.
COR	See "Contracting Officer's Technical Representative"
COTS	See "Commercially available off-the-shelf"
CPAF	See "Cost-plus-award-fee contract"
CPARS	See "Contractor performance assessment reporting system"
CPFF	See "Cost-plus-fixed-fee contract"
CPIF	See "Cost-plus-incentive-fee contract"
CPO	Chief Procurement Officer
Cure notice	A notification provided by the Government to a contractor prior to termination for cause or default. The notification describes the contractor's failure that endangers performance of the contract and specifies the time frame during which the contractor must correct, or cure, the failure. If the failure is not corrected within the stated time frame, the Government may terminate the contract.
Current revenue	The current revenue strategy focuses on maximizing current revenue rather than on maximizing profit or long-term revenue.
D&F	Determination and findings
DAW	Director of Acquisition Workforce.
DCAA	See "Defense Contract Audit Agency"
Debarment	Action taken by a debarring official to exclude a contractor from Government contracting and Government-approved subcontracting for a reasonable, specified period.
Defense Contract Audit Agency	The Defense Contract Audit Agency, under the authority, direction, and control of the Under Secretary of Defense (Comptroller), is responsible for performing all contract audits for the Department of Defense, and providing accounting and financial advisory services regarding contracts and subcontracts to all Department of Defense Components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts. DCAA also provides contract audit services to the Department of Homeland Security through an inter-agency agreement.
Definitization	The need for the Contracting Officer to define, negotiate and finalize, in arrears, the full terms and conditions of pre-approved contractor performance prior to a written and executed contract.
Delivery order	An order for supplies placed against an established contract or with Government sources.
Demand differential	In demand differential pricing, price varies by market segment. Prices may vary from customer to customer, from geographic area to geographic area, and from day to day.
De-obligation	If there is no known potential for excess funds to be used in the future on the contract, a recommendation should be made to the Contracting Officer for the de-obligation of the funds. To de-obligate funds, the Contracting Officer issues a bilateral modification to the contract, de-obligating and removing the excess funds (i.e., removing the monetary liability of the Government).
Department of Defense	The United States Department of Defense is the Federal department charged with coordinating and supervising all agencies and functions of the Government relating directly to national security and the military. The organization and functions of the DOD are set forth in Title 10 of the United States Code. The DOD is the major tenant of The Pentagon building near Washington, D.C., and has three major components – the Department of the Army, the Department of the Navy, and the Department of the Air Force. Among the many DOD agencies are the Missile Defense Agency, the Defense Advanced Research Projects Agency (DARPA), the Pentagon Force Protection Agency (PFPA), the Defense Intelligence Agency (DIA), the National Geospatial-Intelligence Agency (NGA), and the National Security Agency (NSA). The department also operates several joint service schools, including the National War College.
Department of Homeland Security	The United States Department of Homeland Security has the primary responsibilities of protecting the territory of the U.S. from terrorist attacks and responding to natural disasters. Whereas the Department of Defense is charged with military actions abroad, the Department of Homeland Security works in the civilian sphere to protect the United States within, at, and outside its borders. Its stated goal is to prepare for, prevent, and respond to domestic emergencies, particularly terrorism.
Design-to-cost	An estimating technique that constrains design options to a fixed cost limit. The cost limit is usually what the buyer can pay or what the marketplace demands. An affordable product is obtained by treating target cost as an independent design parameter that needs to be achieved during the development.
Determinations	There are various types of determinations. For example, there are determinations associated with commercial items (commerciality determination), Government property (whether to furnish it and what type to furnish), and the type of services to be acquired (advisory and assistance, personal versus non-personal).
DHS	See "Department of Homeland Security"
DoD	See "Department of Defense"
DSBS	Dynamic Small Business Search
DTC	See "Design-to-cost"
DUNS	Data Universal Numbering System
DVD	Digital Video Disc
E.O.	See "Executive Order"
EAB	Enterprise Architecture Board
EAGLE	See "Enterprise Acquisition Gateway for Leading Edge Solutions contract"

Term	Definition
Earned value management	A project management technique for measuring project progress in an objective manner. EVM has the ability to combine measurements of scope, schedule, and cost in a single integrated system. When properly applied, EVM provides an early warning of performance problems. Additionally, EVM promises to improve the definition of project scope, prevent scope creep, communicate objective progress to stakeholders, and keep the project team focused on achieving progress.
Economically disadvantaged	Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. Individuals who certify that they are members of named groups (Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent-Asian Americans) are to be considered socially and economically disadvantaged. See FAR 19.001.
Economically disadvantaged women-owned small business concern	A small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business concern eligible under the WOSB Program.
EDWOSB	See "Economically disadvantaged women-owned small business concern"
EFT	Electronic Funds Transfer
EIA	Electronic Industries Alliance Standards
Elements of Responsibility	<ul style="list-style-type: none"> • Competency • Capability • Capacity • Credit • Integrity • Tenacity • Perseverance
Enterprise Acquisition Gateway for Leading Edge Solutions contract	The Enterprise Acquisition Gateway for Leading-Edge Solutions contract is a multiple-award indefinite delivery/indefinite quantity (IDIQ) contract vehicle, specifically designed as the preferred source of information technology (IT) services for the majority of the Department of Homeland Security's (DHS) enterprise infrastructure and initiatives.
eSRS	Electronic Subcontracting Reporting System
EVM	See "Earned value management"
Executive Order	Executive Orders are issued by the President to provide further direction for the execution of Federal laws.
F&O	See "Full and open competition"
FAC	See "Federal Acquisition Certification"
FAC-C	See "Federal Acquisition Certification – Contracting"
FAC-P/PM	See "Federal Acquisition Certification – Program/Project Management"
Fair Market Price	A price based on reasonable costs under normal competitive conditions and not on lowest possible cost. See FAR 19.202-6.
Family or Group Buys	This option may be appropriate when you identify families or groups of line items that are made or sold by the same contractor.
FAR	See "Federal Acquisition Regulation"
FARA	See "Federal Acquisition Reform Act"
FASA	See "Federal Acquisition Streamlining Act"
FedBizOpps	See "Federal Business Opportunities"
Federal Acquisition Certification	The process of certification of Federal acquisition workforce employees.
Federal Acquisition Certification – Contracting	The FAC-C Program establishes the minimum education, training, and experience requirements for contracting professionals in civilian agencies. It was established by OFPP Policy Letter 05-01 and OMB Memorandum, The Federal Acquisition Certification in Contracting Program, dated January 20, 2006. The intent of the FAC-C Program is to ensure that all contracting professionals throughout the Government are properly trained and qualified to effectively conduct the acquisition business of the Government. A similar program has existed in the Department of Defense for over a decade and is now being implemented in the civilian agencies. One must be FAC-C certified in order to be appointed as a Contracting Officer.
Federal Acquisition Certification – Program/Project Management	The Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) establishes general training and experience requirements for program and project managers in civilian agencies. The FAC-P/PM focuses on essential competencies needed for program and project managers; the program does not include functional or technical competencies, such as those for information technology, or agency-specific competencies.
Federal Acquisition Reform Act	The Federal Acquisition Reform Act of 1995 includes provisions for full and open competition among contractors. This is accomplished by requiring high-level agency approval for non-competitive acquisitions and by requiring that all contractors eliminated from competition in a solicitation receive a debrief when one is requested.
Federal Acquisition Regulation	The overall governing Federal regulation related to acquisition of goods and services that applies to all federal agencies.

Term	Definition
Federal Acquisition Streamlining Act	On October 13, 1994, President Clinton signed into law the Federal Acquisition Streamlining Act of 1994 (FASA). The comprehensive acquisition reform legislation streamlines the Federal Government's acquisition system and dramatically changes the way the Government performs its contracting functions. The statute seeks to: (1) increase the Government's reliance on commercial goods and services; (2) streamline the procurement process for high-volume, low-value acquisitions; (3) improve access by small businesses to government contracting opportunities; (4) improve the bid protest process; and (5) extend the Truth in Negotiations Act to civilian agencies and raise to \$500,000 the threshold for submitting certified cost or pricing data under that Act.
Federal agency	Any executive agency or any independent establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, the Architect of the Capitol, and any activities under the Architect's direction).
Federal Business Opportunities	See "Governmentwide Point of Entry"
Federal Interagency Databases Online	Fido.gov is an internet location for finding information related to federal interagency databases.
Federal Prison Industries	Federal Prison Industries, Inc. (FPI), also referred to as UNICOR, is a self-supporting, wholly owned Government corporation of the District of Columbia. FPI provides training and employment for prisoners confined in Federal penal and correctional institutions through the sale of its supplies and services to Government agencies (18 U.S.C. 4121-4128).
Federal Procurement Data System-Next Generation	A publicly-accessible automated system that provides information about Government contracts valued at \$3,000 or more.
Federal Property and Administrative Services Act	The Federal Property and Administrative Services Act of 1949 is a United States federal law that established the General Services Administration (GSA). The act also provides for various Federal Standards to be published by the GSA.
FEMA	Federal Emergency Management Agency
FFP	See "Firm fixed-price contract"
FIDO	See "Federal Interagency Databases Online"
Final proposal revision	Formerly "BAFO," a Final proposal revision is an offer submitted to the Government in a competitive negotiated procurement after discussions have been concluded. The Government will request such proposal revisions from all offerors still remaining in the competitive range.
Firm fixed-price contract	Provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract, therefore it pays the contractor a fixed amount. This type of contract is used for acquiring supplies or services when there are reasonably definite functional or detailed specifications, and the contracting officer can establish a fair and reasonable price at the time of contract award. This type of contract places upon the contractor the maximum risk and full responsibility for all costs and resulting profit or loss. It provides the maximum incentive for the contractor to control costs and perform effectively and imposes a minimal administrative burden upon the contracting parties.
FirstSource	FirstSource serves as a DHS department-wide small business set-aside procurement vehicle for IT commodities.
Fixed-price contract	Provides for payment of a fixed amount. See also "Firm fixed-price contract", "Fixed-price contract with award fee", "Fixed-price contract with economic price adjustment", "Fixed-price contract with redetermination", and "Fixed-price incentive-fee contract".
Fixed-price contract with award fee	The contractor is paid a fixed amount and may earn an award fee.
Fixed-price contract with economic price adjustment	A fixed-price contract with economic price adjustment contract provides for upward and downward revision of the stated contract price upon the occurrence of specified contingencies. Economic price adjustments are of three general types: (1) Adjustments based on established prices. These price adjustments are based on increases or decreases from an agreed-upon level in published or otherwise established prices of specific items or the contract end items. (2) Adjustments based on actual costs of labor or material. These price adjustments are based on increases or decreases in specified costs of labor or material that the contractor actually experiences during contract performance. (3) Adjustments based on cost indexes of labor or material. These price adjustments are based on increases or decreases in labor or material cost standards or indexes that are specifically identified in the contract.
Fixed-price contract with redetermination	The contractor is paid a fixed amount for the initial period. Amounts for subsequent periods are adjusted, based on actual costs incurred.
Fixed-price incentive-fee contract	A fixed-price incentive contract is a fixed-price contract that provides for adjusting profit and establishing the final contract price by application of a formula based on the relationship of total final negotiated cost to total target cost. The final price is subject to a price ceiling, negotiated at the outset.
FLETC	Federal Law Enforcement Training Center
FOB	See "Free on board"
FOB Destination	See "Free on board at destination"
FOB Origin	See "Free on board at origin"
FOIA	See "Freedom of Information Act"
FPASA	See "Federal Property and Administrative Services Act"
FPDS-NG	See "Federal Procurement Data System-Next Generation"
FPI	See "Federal Prison Industries"
FPIF	See "Fixed-price incentive-fee contract"
FPR	See "Final proposal revision"
FPwEPA	See "Fixed-price with economic price adjustment contract"
Free on board	This term is used in conjunction with a physical point to determine—(1) The responsibility and basis for payment of freight charges; and (2) Unless otherwise agreed, the point where title for goods passes to the buyer or consignee.

Term	Definition
Free on board at destination	The seller or consignor delivers the goods on seller's or consignor's conveyance at destination. Unless the contract provides otherwise, the seller or consignor is responsible for the cost of shipping and risk of loss. On board destination – the contractor must pay to ship or deliver the item.
Free on board at origin	The seller or consignor places the goods on the conveyance. Unless the contract provides otherwise, the buyer or consignee is responsible for the cost of shipping and risk of loss.
Freedom of Information Act	The Freedom of Information Act represents the implementation of freedom of information legislation in the United States. This act allows for the full or partial disclosure of previously unreleased information and documents controlled by the United States Government. The Act defines agency records subject to disclosure, outlines mandatory disclosure procedures and grants nine exemptions to the statute.
FSS	Federal Supply Schedule; see also "GSA Multiple Award Schedule Contracts"
Full and open competition	All responsible sources are permitted to compete for a contract award.
FY	Fiscal year
GAO	See "Government Accountability Office"
General market conditions	General market conditions that result in price differences include changes in the level of competition that can affect offeror pricing strategies. If competition decreases from historical levels, firms typically will be less concerned about the threat of price competition. If the level of competition increases, firms will be more concerned.
General Services Administration	The General Services Administration is an independent agency of the United States government, established in 1949 to help manage and support the basic functioning of federal agencies. The GSA supplies products and communications for U.S. government offices, provides transportation and office space to federal employees, and develops government-wide cost-minimizing policies, among other management tasks. Its stated mission is to help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.
GFI	See "Government-furnished information"
GFP	See "Government-furnished property"
Government Accountability Office	The U.S. Government Accountability Office is known as "the investigative arm of Congress" and "the congressional watchdog." GAO supports the Congress in meeting its constitutional responsibilities and helps improve the performance and accountability of the Federal Government for the benefit of the American people.
Government Performance and Results Act	Law requiring agencies to develop a strategic plan that contains a mission statement for the agency and specific, measurable, performance-based requirements. This act also requires agencies to submit annual performance reports that outline the agency's success in meeting performance goals.
Government Printing Office	The U.S. Government Printing Office is an agency of the legislative branch of the United States Federal Government. The office prints and provides access to documents produced by and for all three branches of the Federal Government, including the Supreme Court, the Congress, Executive Office of the President, executive departments, and independent agencies. The primary mission of GPO is to make government publications widely available, by gathering, cataloging, providing, and preserving published information in all forms. GPO provides information to the public through GPO Access, which contains searchable databases of government information, and through the Federal Depository Library Program, which is a partnership with hundreds of libraries throughout the country.
Governmentwide commercial purchase card	A card that is similar in nature to a commercial credit card that is used to make financing and delivery payments for supplies and services. The purchase card is an EFT method and it may be used as a means to meet the requirement to pay by EFT, to the extent that purchase card limits do not preclude such payments.
Government-furnished information	Information provided by the Federal Government to a contractor during contract performance. The information is considered necessary for performance and could result in a liability to the Federal Government if not provided in a satisfactory manner.
Government-furnished property	Property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.
Governmentwide acquisition contract	A Governmentwide acquisition contract is a convenient procurement contract instrument available to all Federal Government agencies that provides a broad range of equipment, support services and resources for research, development, and operational activities. The agencies using a GWAC to place orders for goods and services normally have to pay a fee for the convenience.
Governmentwide point of entry	The single point where Government business opportunities greater than \$25,000, including synopses of proposed contract actions, solicitations, and associated information, can be accessed electronically by the public. The GPE is located at http://www.fedbizopps.gov .
GPC	See "Governmentwide commercial purchase card"
GPE	See "Governmentwide point of entry"
GPO	See "Government Printing Office"
GPRA	See "Government Performance and Results Act"
GSA	See "General Services Administration"

Term	Definition
GSA Multiple Award Schedule Contracts	Indefinite delivery, indefinite quantity (IDIQ) contracts that are available for use by federal agencies worldwide. GSA awards and administers Multiple Award Schedule (MAS) contracts pursuant to 40 U.S.C. 501, Services for Executive Agencies. Under the MAS Program, GSA enters into government-wide contracts with commercial firms to provide over 11 million commercial supplies and services. GSA contracts are typically of this nature to promote competition, allow a choice among minor product differences and assure availability of the product in times of high demand. Agencies place orders directly with MAS contractors. Interagency agreements are not required when placing orders against MAS contracts. The Economy Act does not apply when placing orders against MAS contracts.
GSA Schedule and Federal Supply Schedule contracts	See "GSA Multiple Award Schedule contracts"
GWAC	See "Government-wide acquisition contract"
HCA	See "Head of the Contracting activity"
Head of contracting activity	The official who has overall responsibility for managing the contracting activity. This is normally a high level position that has broad powers to establish agency policy, appoint Contracting Officers, and make approvals and determinations above the contracting office level.
Historical data	For purposes of market research, historical data may include relevant acquisition histories and agency-wide past performance file data. In collecting historical data, the COR may find and include information on: (1) Current suppliers of the required products or services; (2) Potential suppliers; (3) Previous procurement strategies, acquisition plans, and lead times; (4) Problems and issues in the award and administration of previous contracts; (5) A contractor's past performance, including: quality of products or services provided; timeliness of performance; cost control; and past performance of key personnel.
Historically underutilized business zone	An area located within one or more qualified census tracts, qualified nonmetropolitan counties, or lands within the external boundaries of an Indian reservation, qualified base closure areas, or redesignated areas, as defined in 13 CFR 126.103.
HUBZone	See "Historically underutilized business zone"
HUBZone small business concern	A small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration (13 CFR 126.103).
IA	See "Interagency agreement"
IBR	Integrated baseline review
ICE	See "U.S. Immigration and Customs Enforcement"
IDIQ	See "Indefinite delivery indefinite quantity contract"
IFB	See "Invitation for bid"
IGCE	See "Independent Government cost estimate"
IGE	See "Independent Government estimate"
IIP	Indian Incentive Program
Indefinite delivery indefinite quantity contract	A type of contract that provides for an indefinite quantity of supplies or services during a fixed period of time. The legal origin of IDIQ contracts comes from the Federal Acquisition Regulation (FAR), section 16.501(a).
Independent Government cost estimate	The IGCE presents an analysis of a contractor's reasonable and required resources to perform or deliver product on a Federal contract. The IGCE is the projected, anticipated, or probable cost or price of a proposed Federal acquisition or procurement. It serves as a benchmark for establishing price analysis and cost realism. The IGCE is the Government's estimate of the resources and projected cost of the resources a contractor will incur in the performance of a contract. These costs include direct costs; such as labor, supplies, equipment, or transportation and indirect costs; such as labor overhead, material overhead, as well as general and administrative (G&A) expenses, profit or fee. As specified in the FAR Part 10, an IGCE is based on market research. Market research is used to develop the IGCE through canvassing commercial entities with the capabilities to meet a stated requirement. Market research is the basis for evaluation of current prices for the same, or a similar requirement, to be performed under the same conditions. The IGCE may be determined through: GSA schedule prices, catalog prices, market survey, published price lists, historical prices, and detailed analysis.
Independent Government estimate	An estimate made by the Government. This estimate will frequently accompany the purchase request.
Indian	See "Native Americans"
Indian tribe	Any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native Corporation as defined in 13 CFR 124.100 which is recognized as eligible for the special programs and services provided by the U.S. to Indians because of their status as Indians, or which is recognized as such by the State in which such tribe, band, nation, group, or community resides.
Industry	All concerns primarily engaged in similar lines of activity, as listed and described in the Standard Industrial Classification (SIC) Manual.
Information technology	Any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.
Inspection	Examining and testing supplies or services to determine whether they conform to contract requirements.
Interagency agreement	Agreements between Federal Government Departments such as Department of Labor, Department of Justice, etc.

Term	Definition
Invitation for bid	Used for sealed bidding, the IFB does not contain evaluation criteria. The offeror submits only a price as their proposal and the Government must select the lowest price if the price is considered fair and reasonable and the offeror meets responsibility qualifications. An invitation for bid is an invitation to contractors or equipment suppliers, through a bidding process, to submit a proposal on a specific project to be realized or product or service to be furnished. If not stated otherwise, the contractor or supplier with the lowest bid is awarded the contract, provided that they meet the minimum criteria for the bid. This is in contrast to a request for proposal (RFP), in which case other reasons (technology used, quality, past performance) might cause or allow choice of another offer.
Invoice	A contractor's bill or written request for payment under the contract for supplies delivered or services performed.
IRB	Investment Review Board
IRM	Information resource management
IT	See "Information technology"
J&A	See "Justification and approval for other than full and open competition"
JOFOC	See "Justification for other than full and open competition"
Justification and approval for other than full and open competition	An approval required before restricting competition for a Federal Government contract is permitted
Justification for other than full and open competition	See FAR Subpart 6.3—Other Than Full and Open Competition, 6.301 Policy, and 6.302 Circumstances permitting other than full and open competition.
JWOD	Javits Wagner O'Dea Act; see "Ability One"
KDP	See "Key decision point"
Key decision point	Also known as a program milestone, a key decision point is a major milestone requiring a decision in the acquisition process.
KO	KO is used as the acronym for a Contracting Officer in the Department of Defense. "CO" is the correct acronym for Contracting Officer in the Federal Civilian agencies. See also "Contracting Officer"
Labor-hour contract	Similar to time-and-materials contracts, but materials are not reimbursed (materials are not supplied by the contractor).
Latent defect	A defect that exists at the time of acceptance but cannot be discovered by a reasonable inspection.
LCC	See "Life cycle cost"
Life cycle cost	An estimating technique, life cycle cost is the total cost of ownership of machinery and equipment, including its cost of acquisition, operation, maintenance, conversion, and/or decommission.
MAC	See "Multi-agency contract"
Management Directive	A policy directed by high-level management to standardize procedures within an agency.
Margin pricing	Margin pricing uses unit cost to calculate a price that will provide the desired profit margin. The seller calculates the unit selling price by dividing the estimated unit cost by a margin percentage.
Market competition	In market competition pricing, price is based on reaction to the competition. This approach is often used in homogenous markets with little differentiation in products between companies.
Market research	Collecting and analyzing information about capabilities within the market to satisfy agency needs.
Market skimming	In market skimming, sellers set prices to achieve a high profit on each unit by selling to buyers who are willing to pay a higher price for a product of perceived higher value.
Market-based formula	Market-based = Cost + Perception of value
Market-based pricing	Market-based pricing strategies include: Profit maximization, Market share, Market skimming, Current revenue, Promotional, Demand differential, and Market competition
Market-share pricing	Market-share pricing is based on the assumption that long-run profitability is directly associated with market share. The goal of a seller using this strategy is to dominate the market through market penetration.
Mark-up pricing	In the mark-up pricing method, price is based on total cost plus a mark-up. The mark-up is a percentage of the total cost. Cost can be either direct or total.
MAS	See "Multiple Award Schedule"
MD	See "Management Directive"
Merit Systems Protection Board	The Merit Systems Protection Board is an independent, quasi-judicial agency in the executive branch of the Federal Government that serves as the guardian of Federal merit systems.
Micro-purchase	An acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. See also "Micro-purchase threshold."
Micro-purchase threshold	\$3,000 in general, with these exceptions: for acquisitions of construction subject to the Davis-Bacon Act, the threshold is \$2,000 per transaction; for acquisitions of services subject to the Service Contract Act, the threshold is \$2,500 per transaction; and for acquisitions of supplies or services that, as determined by the head of the Agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, as described in FAR 13.201(g)(1), except for construction subject to the Davis-Bacon Act (41 U.S.C. 428a): (1) \$15,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and (2) \$30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.
Mission Need Statement	A non-system-specific statement containing operational capability needs and written in broad operational terms. It describes required operational capabilities and constraints to be studied during concept exploration and definition phase of the requirements generation process.

Term	Definition
MNS	See "Mission Need Statement"
MOU	Memorandum of Understanding
MPT	See "Micro-purchase threshold"
MRC	Management Review Council
MSPB	See "Merit Systems Protection Board"
Multi-agency contract	A task-order or delivery-order contract established by one agency for use by Government agencies to obtain supplies and services, consistent with the Economy Act.
Multiple Award Schedule	Contracts awarded by GSA or the Department of Veterans Affairs (VA) for similar or comparable supplies, or services, established with more than one supplier, at varying prices.
Multiple awards for the same line items	You must award the same line item to more than one contractor to meet requirements for indefinite-quantity supplies or services. This approach allows ordering offices to choose among products and contractors that best meet their needs.
Multiple awards of different line items	Consider making multiple awards of different line items when it is less expensive to purchase components separately rather than as an integrated unit.
Multi-year contracting	Multi-year contracting may be used to acquire known requirements in quantities and total cost not to exceed planned requirements for up to five years, even though the total funds ultimately to be obligated may not be available at the time of award.
NAICS	North American Industry Classification System
NASA	National Aeronautics and Space Administration
National Institutes of Health	The National Institutes of Health, a part of the U.S. Department of Health and Human Services, is the primary Federal agency for conducting and supporting medical research.
Native Americans	American Indians, Eskimos, Aleuts, and Native Hawaiians.
NCI	See "Non-commercial item"
NDI	See "Nondevelopmental Item"
NIH	See "National Institutes of Health"
Non-commercial item	An item that is primarily used for non-commercial use and not generally sold to the general public. Military items such as weapons are the best example.
Nondevelopmental item	A commercial item developed at private expense by a commercial Contractor exclusively for Government use. To be considered a commercial item, and NDI must have been previously sold in large quantities—on a competitive basis—to Federal, state, or local Government agencies.
OCIO	Office of the Chief Information Officer
OCPO	Office of the Chief Procurement Officer
ODC	Other direct cost
Offer	A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called "bids" or "sealed bids"; responses to requests for proposals (negotiation) are offers called "proposals"; however, responses to requests for quotations (simplified acquisition) are "quotations," not offers. For unsolicited proposals. See FAR Subpart 15.6.
Offeror	Offeror or bidder. A vendor that responds to a Federal Government solicitation.
Office of Federal Procurement Policy	The Office of Federal Procurement Policy in the Office of Management and Budget plays a central role in shaping the policies and practices Federal agencies use to acquire the goods and services they need to carry out their responsibilities. OFPP was established by Congress in 1974 to provide overall direction for government-wide procurement policies, regulations and procedures and to promote economy, efficiency, and effectiveness in acquisition processes.
Office of Management and Budget	OMB's predominant mission is to assist the President in overseeing the preparation of the Federal budget and to supervise its administration in Executive Branch agencies. In helping to formulate the President's spending plans, OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's Budget and with Administration policies. In addition, OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.
Office of Small and Disadvantaged Business Utilization	An office within a Federal agency that oversees and monitors agency performance in compliance with the Federal Government policy to award a fair share of contracts to small businesses
OFPP	See "Office of Federal Procurement Policy"
OGC	Office of General Counsel. Generally referred to as the legal office.
OGE	Office of Government Ethics
OIG	Office of the Inspector General
OMB	See "Office of Management and Budget"
Online Representation Certification Application	The primary Government repository for contractor submitted representations and certifications required for the conduct of business with the Government.
OPO	Office of Procurement Operations
Options	Options give the Government unilateral rights to purchase additional supplies and services and/or extend the term of the contract.
ORCA	See "Online Representation Certification Application"
OSAI	Office of Safety Act Implementation
OSDBU	See "Office of Small and Disadvantaged Business Utilization"
P.L.	Public Law
PACT	See "Program Management, Administration, Clerical, and Technical Services"
PAG	Program Advisory Group
PALT	See "Procurement acquisition lead time"

Term	Definition
Parametric estimates	An estimating technique that uses a statistical relationship between historical data and other variables to calculate an estimate for activity parameters, such as scope, cost, budget, and duration. An example for the cost parameter is multiplying the planned quantity of work to be performed by the historical cost per unit to obtain the estimated cost.
Partial set-aside	You must aside a portion of a solicitation for small business contractors when certain conditions exist. Partial-aside are also a low-risk way to split awards for maintaining multiple sources.
Partial termination	Termination of a part, but not all, of the work that has not been completed and accepted under a contract.
Past performance information	Information concerning an offeror's or contractor's performance on active and physically completed contracts. The major areas of concern are technical, cost, quality, and schedule performance.
Past Performance Information Retrieval System	PPIRS is a web-enabled, enterprise application that provides timely and pertinent contractor past performance information to the Federal acquisition community for use in making source selection decisions.
Patent defect	A defect that could be recognized upon reasonably careful inspection or through the use of ordinary diligence and care.
PBA/PBC	Performance based acquisition/Performance based services contracting; see also "Performance based acquisition/contracting"
PBSC	Performance based services contracting; "see also "PBA/PBC"
PCII	See "Protected Critical Infrastructure Information"
PCR	See "Procurement Center Representative"
PEP	See "Price evaluation preference"
Performance based acquisition/contracting	A quality oriented method of monitoring and measuring contractor performance against functional and/or performance requirements of the work statement.
Performance work statement	A statement of work for performance-based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes
PM	Program/Project Manager
PNM	See "Price negotiation memorandum"
PO	Project Officer
POC	Point of Contact
POP	Procurement Operating Procedure
PORA	Principal Official Responsible for Acquisition
PPI	See "Past Performance Information"
PPIRS	See "Past Performance Information Retrieval System"
PR	See "Procurement Request"
Price	The amount of money that a buyer pays a seller for the delivery of a product or the performance of a service
Price analysis	The process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed
Price evaluation preference	The price evaluation preference for HUBZone small business concerns shall be used in acquisitions conducted using full and open competition. PEP is given to offers from HUBZone concerns by adding a 10% factor to all offers that are not exempt from the PEP. The factor of 10 percent shall be applied on a line item basis or to any group of items on which award may be made. Other evaluation factors, such as transportation costs or rent-free use of Government property, shall be added to the offer to establish the base offer before adding the factor of 10 percent. [FAR 19.1307]
Price negotiation memorandum	Documentation completed by the CO stating the principal elements of a negotiated agreement. The memorandum is to be included in the contract file.
Pricing	The process of establishing a reasonable amount or amounts to be paid for supplies or services.
Procurement	See also "Acquisition." Procurement is a subset of acquisition usually referring to the functions and duties associated with the contracting series (1102) such as Contracting Officer, contract specialist, procurement analyst, price analyst, etc. For example, determining the contract type is a procurement function; awarding the contract is a procurement function; determining contractor responsibility is a procurement function, etc.
Procurement acquisition lead time	The amount of time it takes to award a contract action once the action is received in the procurement office.
Procurement Center Representative	The Small Business Administration representative who assists small businesses in obtaining federal contracts.
Procurement planning	The phase of an acquisition that involves the establishment of processes, timelines and evaluation procedures that result in a contract for the actual purchase of the agency's identified & bona fide need.
Procurement Request	A package of documents containing all necessary funds, approvals, determinations and other information necessary to initiate the acquisition process.
Profit maximization	Profit maximization pricing depends on the relationship between demand and price. It is based on twin assumptions. First, that demand falls as prices rise. And, second, that demand grows as prices fall.
Program Management, Administration, Clerical, and Technical Services	A series of contracts for administrative support that may be used by all DHS agencies.
Progressive awards	Consider dividing the total required quantity of an item among different contractors when there are suppliers who may offer the best price per unit but cannot fulfill the entire requirement.
Promotional	In promotional pricing, individual products are priced to enhance the sales of an overall product line, rather than to assure the profitability of each product.
Proposal analysis	Used to ensure that the final agreed-to-price is fair and reasonable.

Term	Definition
Protected Critical Infrastructure Information	The Protected Critical Infrastructure Information Program is an information-protection program that enhances information sharing between the private sector and the Government. The Department of Homeland Security and other Federal, state and local analysts use PCII to analyze and secure critical infrastructure and protected systems, identify vulnerabilities and develop risk assessments, and enhance recovery preparedness measures.
Purchase order	When issued by the Government, a purchase order is an offer by the Government to buy supplies or services, including construction and research and development, upon specified terms and conditions, using simplified acquisition procedures.
PWS	See "Performance work statement"
QA	See "Quality assurance"
QAP	See "Quality assurance plan"
QASP	See "Quality assurance surveillance plan"
QCP	See "Quality control plan"
Quality assurance	Quality assurance refers to planned and systematic production processes that provide confidence in a product's suitability for its intended purpose.
Quality assurance plan	A plan to monitor quality processes to assure achievement of quality requirements. The plan is prepared by the contractor.
Quality assurance surveillance plan	A plan prepared by the Government to monitor the contractor and measure performance in attaining the requirements of the work statement. It is developed at the beginning of contract performance.
Quality control plan	A plan prepared by the contractor that details the steps and processes to build quality into a product or service.
R&D	See "Research and development"
Rate of return pricing	When using rate of return pricing, the unit selling price is determined by adding the estimated unit cost of a product to a desired profit per unit. The desired unit profit is calculated based on the desired rate of return, the financial investment required to provide the product, and the estimated sales volume.
Reasonable	A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business. The Contracting Officer has the ultimate responsibility for determining whether a particular cost is reasonable; however, the COR generally has technical experience related to the work that is being performed under the contract and can certainly assist the Contracting Officer in determining reasonableness. Accordingly, to support the Contracting Officer, invoices are routed to the COR for review, with respect to the reasonableness and allocability of costs claimed for reimbursement.
Redetermination	The process of changing the initial price of a contract based on events that occur after the contract is awarded. The prices of a firm fixed price contract are considered fair and reasonable for an initial period of the contract but due to external or internal factors, the price will not be considered fair and reasonable for subsequent periods of that contract.
Request for information	A request by the Government to obtain market information about a Government requirement.
Request for proposal	A formal request by the Government asking offerors to submit a proposal for a government requirement. RFPs are used in negotiated acquisitions to communicate government requirements to prospective contractors and to solicit proposals. RFPs for competitive acquisitions describe the: Government's requirement, anticipated terms and conditions that will apply to the contract, information required to be in the offeror's proposal, and evaluation criteria - factors and significant subfactors that will be used to evaluate the proposal and their relative importance, such as technical compliance, experience, and past performance. [FAR 15.203 Requests for proposals]
Request for quotation	RFQs are used by the ordering activity to schedule contractors that offer services that will meet the agency's needs. RFQs include a Statement of Work (SOW) including (1) work to be performed; (2) Location of work; (3) Period of performance; (4) Deliverable schedule; (5) Applicable performance standards; and (6) any special requirements, such as, security clearances, travel, special knowledge. RFQs also include evaluation criteria - factors and significant subfactors that will be used to evaluate the proposal and their relative importance, such as technical compliance, experience, and past performance. [FAR 8.405-2(c) Request for Quotation procedures] See RFP also.
Research and development	Investigative activities with the intention of making a discovery that can either lead to the development of new products or procedures, or to improvement of existing products or procedures. Research and development is one of the means by which business can experience future growth by developing new products or processes to improve and expand their operations.
Responsiveness	Responsiveness is a determination by the CO that an offer conforms to the material requirements of a sealed bid or solicitation. Responsiveness does not apply to negotiated procurements. To be considered responsive, a bid or offer must be: received, opened, and not rejected at the time and place set forth in the Invitation for Bid, Request for Proposal, or Request for Quotation.
RFI	See "Request for information"
RFP	See "Request for proposal"
RFQ	See "Request for quotation"
SAM	See "System for Award Management"
SAP	See "Simplified acquisition procedures"
SAT	See "Simplified acquisition threshold"
SB	Small business; see also "Small business concern"
SBA	See "Small Business Administration"
SBIR	Small Business Innovative Research Program
SBP	Small business programs
SBS	See "Small business specialist"
SCA	See "Service Contract Act"

Term	Definition
SCF	See "Simplified contract format"
SDB	See "Small disadvantaged business concern"
SDVOSB	See "Service-disabled veteran-owned small business concern"
Section 8(a)	Also known as the 8(a) Business Development Program, Section 8(a) authorizes the Small Business Administration (SBA) to enter into all types of contracts with other agencies and let subcontracts for performing those contracts to firms eligible for program participation. The SBA's subcontractors are referred to as "8(a) contractors."
Senior Procurement Executive	The individual who is responsible for management direction of the acquisition system of the executive agency, including implementation of the unique acquisition policies, regulations, and standards of the executive agency.
Service Contract Act	The Service Contract Act of 1965 requires general contractors and subcontractors performing services on Federal government prime contracts in excess of \$2,500 to pay service employees in various classes no less than the wage rates and fringe benefits found prevailing in the locality as determined by Department of Labor, or the rates contained in a predecessor contractor's collective bargaining agreement. This is also known as Prevailing Wage.
Service-disabled veteran	A veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).
Service-disabled veteran-owned small business concern	An SDVOSB concern is at least 51 percent owned and operated by one or more service-disabled veterans, as defined at 38 U.S.C. 101(2); or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more service-disabled veterans; and whose management and daily business operations are controlled by one or more service-disabled veterans.
SF	Standard Form
Simplified acquisition procedures	Acquisition procedures for requirements above the micro-purchase threshold of \$3,000 and under \$100,000 described in FAR Part 13 designed to (a) reduce administrative costs; (b) improve opportunities for small, small disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled veteran-owned small business concerns to obtain a fair proportion of Government contracts; (c) promote efficiency and economy in contracting; and (d) avoid unnecessary burdens for agencies and contractors. SAP procedures are permitted for commercial items up to \$550,000.
Simplified acquisition threshold	\$150,000, except for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack (41 U.S.C. 428a), the term means \$300,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and \$1 million for any contract to be awarded and performed, or purchase to be made, outside the United States.
Simplified contract format	Format for contracts less than \$100,000 in value.
SIN	See "Special Item Number"
Small Business Administration	The Small Business Administration is a United States Government agency that provides support to small businesses. The mission of the SBA is to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses.
Small business concern	A concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR part 121 (see 19.102). Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration must be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity. See 15 U.S.C. 632.
Small business specialist	A person who works for a Federal agency and monitors the achievement of socioeconomic goals assigned to the agency.
Small disadvantaged business concern	A small business concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals and that has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one of these entities, that has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and that meets the requirements of 13 CFR 124.
Socially disadvantaged	Socially disadvantaged individuals are individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals. See FAR 19.001.
Sole source	A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source.
Solicitation	Any request to submit offers or quotations to the Government. Solicitations under sealed bid procedures are called "invitations for bids." Solicitations under negotiated procedures are called "requests for proposals." Solicitations under simplified acquisition procedures may require submission of either a quotation or an offer.
SOO	See "Statement of objectives"
Source selection authority	The SSA is responsible for choosing the offeror whose proposal provides the best value to the Government. The SSA is typically the Contracting Officer, unless otherwise designated by the Head of the Contracting Authority.

Term	Definition
Source selection evaluation board	The SSEB evaluates proposals from technical, functional, and cost perspectives and provides input to the SSA.
SOW	See "Statement of work"
SPE	See "Senior Procurement Executive"
Special Item Number	The types of supplies and services offered under various GSA Schedules are listed according to their Special Item Number (SIN). Many different tasks can be performed under each SIN.
Special provision	Offers are invited on the basis of both FOB origin and FOB destination, and the Government will award on the basis the contracting officer determines to be most advantageous to the Government. An offer on the basis of FOB origin only or FOB destination only is acceptable, but will be evaluated only on the basis submitted.
Split awards	Splitting awards for a line item among two or more contractors is appropriate to maintain competitive sources. The split may be shared on a percentage basis, with the most favorable offer receiving the highest percentage of the requirement.
SRA	Scientific Review Administrator
SSA	See "Source selection authority"
SSEB	See "Source selection evaluation board"
SSI	Sensitive security information
Statement of need	A general overview of the circumstances and requirements that initially created the need to acquire supplies or services by contract. This information, compiled by the Program Office, is the technical genesis (i.e., the "what, why, and when" relative to the technical requirements) of the acquisition plan.
Statement of objectives	A Government prepared document incorporated into the solicitation that states the overall performance objectives. It is used in solicitations when the Government intends to provide the maximum flexibility to each offeror to propose an innovative approach.
Statement of work	A document that captures and agrees the work activities, deliverables and timeline that a vendor will execute against in performance of work for a customer.
STTR	Small Business Technology Transfer Program
Subcontractor	A business that performs part or all terms of a contract for, or alongside, a contractor.
Suggested sources list	When the solicitation is not posted as "full and open competition" on Federal Business Opportunities, suggested sources should be included with the procurement package.
System for Award Management	A consolidated procurement system that will combine eight legacy Federal Procurement Systems and the Catalog of Federal Domestic Assistance (CFDA). SAM will be developed in stages, starting with Entity Management (CCR/FedReg and ORCA) and the exclusions portion of Performance Information (EPLS). SAM is expected to launch in winter 2012.
T&M	See "Time-and-materials"
Task order	An order for services placed against an established contract or with Government sources.
Technical evaluation group/panel	The group that evaluates the technical portion of competitive proposals.
TEG/TEP	See "Technical evaluation group/panel"
Termination	(1) "Termination for convenience" means the exercise of the Government's right to completely or partially terminate performance of work under a contract when it is in the Government's interest. (2) "Termination for default" means the exercise of the Government's right to completely or partially terminate a contract because of the contractor's actual or anticipated failure to perform its contractual obligations. (3) "Termination inventory" means any property purchased, supplied, manufactured, furnished, or otherwise acquired for the performance of a contract subsequently terminated and properly allocable to the terminated portion of the contract."
Time-and-materials	A contractual arrangement whereby payment is made on the basis of (1) actual hours of direct labor expended, at fixed hourly rates which include all overheads and profit, and (2) actual cost of materials and equipment usage.
Time-and-materials contract	Pay the contractor at a fixed hourly rate for labor performed under the contract. Reimburse the contractor for the allowable actual cost of materials.
TIN	Taxpayer Identification Number
TINA	See "Truth in Negotiations Act"
TO	See "Task order"
Total net present value	A financial analysis tool. Under the concept, the net present value of a dollar received today is more than the net present value of a dollar paid at the future time, because the holder of the money can collect interest.
Transportation Security Administration	The TSA is an agency within DHS consisting of 50,000 security officers, inspectors, directors, and air marshals who protect the nation's transportation systems for safe travel TSA looks for bombs at checkpoints in airports, we inspect rail cars, patrols subways with law enforcement officials, and works to make all modes of transportation safe.
Truth in Negotiations Act	The Truth in Negotiations Act, or TINA, is a law that was enacted to provide for full and fair disclosure by contractors in the conduct of negotiations with the Government. The most significant provision included in TINA is the requirement that contractors submit certified cost or pricing data for negotiated procurements above a defined threshold.
TSA	See "Transportation Security Administration"
U.S.	United States

Term	Definition
U.S. Coast Guard	The United States Coast Guard is a branch of the United States Armed Forces and one of seven uniformed services. It is unique among the military branches in that it has a maritime law enforcement mission (with jurisdiction both domestically and in international waters) and a federal regulatory agency mission as part of its mission set. It operates under the Department of Homeland Security during peacetime, and can be transferred to the Department of the Navy by the President or Congress during a time of war. The overall mission of the Coast Guard is to protect the public, the environment, and the United States economic and security interests in any maritime region in which those interests may be at risk, including international waters and United States coasts, ports, and inland waterways.
U.S. Customs and Border Protection	CBP is one of the Department of Homeland Security's largest and most complex components, with a priority mission of keeping terrorists and their weapons out of the U.S. It also has a responsibility for securing and facilitating trade and travel while enforcing hundreds of U.S. regulations, including immigration and drug laws.
U.S. Immigration and Customs Enforcement	A federal law enforcement agency under the United States Department of Homeland Security, responsible for identifying, investigating, and dismantling vulnerabilities regarding the nation's border, economic, transportation, and infrastructure security. Headquartered in Washington, D.C., ICE is charged with the investigation and enforcement of over 400 federal statutes within the United States, and maintains attaches at major U.S. embassies overseas. Consequently, ICE special agents possess the broadest investigative authority within the United States government.
U.S. Secret Service	A United States federal law enforcement agency that falls under the United States Department of Homeland Security. The U.S. Secret Service has two distinct areas of responsibility: (1) Treasury roles, covering missions such as prevention and investigation of counterfeiting of U.S. currency and U.S. treasury bonds notes and investigation of major fraud and (2) Protective roles, ensuring the safety of national VIPs such as the President, past presidents, vice presidents, presidential candidates, their families, foreign embassies (per an agreement with the U.S. State Department's Bureau of Diplomatic Security (DS) Office of Foreign Missions (OFM)).
U.S. Small Business Act	The authority under which the Small Business Administration (SBA) and agencies consult and cooperate with each other in formulating policies to ensure that small business interests will be recognized and protected.
U.S. Small Business Jobs Act	The Jobs Act amended the Business Opportunity Development Reform Act of 1988 (Public Law 100-656) by repealing the Small Business Competitiveness Demonstration Program. This Federal law extended the SBA loan provisions while offering billions more in lending support, tax cuts, and other opportunities for entrepreneurs and small business owners.
UCA	See "Un definitized contract action"
UCF	See "Uniform contract format"
Un definitized contract action	A contracting instrument that does not define the costs and terms before the Contractor begins work.
UNICOR	See "Federal Prison Industries"
Uniform contract format	The standard format of a Government contract valued at over \$100,000.
United States Code	The USC is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation.
USC	See "United States Code"
USCG	See "U.S. Coast Guard"
USSS	See "U.S. Secret Service"
VA	Department of Veterans Affairs
Value analysis estimate	A value analysis estimate results from a specialized review of the function of a product and its related price. It may literally involve taking the item apart to determine how it is made and why it costs what it does.
VetBiz	Veterans Online Business Registry
Veteran-owned small business concern	A VOSB concern is at least 51 percent owned and operated by one or more veterans, as defined at 38 U.S.C. 101(2); or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more veterans; and whose management and daily business operations are controlled by one or more veterans.
Visual analysis estimate	A visual analysis estimate results from a visual inspection of an item, or drawing of an item, to estimate its probable value.
VOSB	See "Veteran-owned small business concern"
Warranty	Promise or affirmation given by a contractor to the Government regarding the nature, usefulness, or condition of the supplies or performance of services furnished under the contract.
Women-owned small business concern	A WOSB concern is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women; or a small business concern eligible under the Women-Owned Small Business Program in accordance with 13 CFR part 127. See FAR Subpart 19.15.
WOSB	See "Women-owned small business concern"