

ChallengeHER

GOVERNMENT CONTRACT GLOSSARY OF TERMS

Name	Description
8a PROGRAM	A set aside program to help minority and other small disadvantaged businesses participate in federal contracts
ABSTRACT OF BIDS	A list of the bidders for a sealed bid procurement indicating the significant portions of their bids.
ACCELERATION	Ordered or voluntarily expedited performance necessary for recapturing project delay.
ACCEPTANCE	Compliance by an offeree with the terms and conditions of an offer.
ACQUISITION	The obtaining of supplies or services by the federal government with appropriated funds through purchase or lease
ACT OF GOD	An act, event or happening resulting from natural causes without interference or aid from
ADDENDA	Supplements to the bid or proposal form as originally issued, covering additions, corrections, or changes in the bidding conditions for the advertised work. Addenda are issued to prospective bidders prior to the date set for opening of proposals
AFFILIATES	Business concerns, organizations, or individuals that control each other or that are controlled by a third party. Control may include shared management or ownership; common use of facilities, equipment, and employees; or family interest.
ALLOCABLE	A cost which is assignable to a particular contract or other cost objective.
ALLOWABLE COST	Any reasonable cost which, according to the FAR, may be recovered under the contract to which it is allocable.
APPEAL NOTICE	A notice to a Board of Contract Appeals that a Contracting Officer's final decision or failure to issue a decision will be appealed.
ARBITRATION	Reference of a dispute to an impartial, third person(s) chosen by the parties to the dispute who agree in advance to abide by the arbitrator's decision after a hearing at which both parties have an opportunity to be heard.
AWARD	Any mechanism, signed by a contracting officer, providing government funds or other resources to an offeror that permits expenditure of such government funds or use of such government resources
BASIC ORDER AGREEMENT	A written instrument of understanding, negotiated between an agency, contracting activity, or contracting office and a contractor, that contains (1) terms and clauses applying to future contracts (orders) between the parties during its term, (2) a description, as specific as practicable, of supplies or services to be provided, and (3) methods for pricing, issuing, and delivering future orders under the basic ordering agreement. A basic ordering agreement is
BEST AND FINAL OFFER	A contractor's final offer following the conclusion of discussions in relation to negotiated procurements
BEST VALUE	The expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement
BID	An offer to perform the work described in a contract at a specified cost. Government bids are generally cost-specific, based on the cost of labor, materials, profit, and overhead. Bids are normally not negotiated and cannot be changed once accepted by the owner. Bids are time sensitive and are generally good for 30 to 60 days after the bid opening
BID BOND	A surety bond which protects the government in the event the winning bidder fails to execute the contract documents and proceed with performance.
BID GUARANTEE	An instrument, including a bid bond, which protects the government in the event the winning bidder fails to execute the contract documents and proceed with performance.
BID PROTEST	A challenge by a disappointed bidder usually submitted to the Contracting Officer or the GAO, against the award of a government contract.

ChallengeHER

GOVERNMENT CONTRACT GLOSSARY OF TERMS

BILATERAL CONTRACT	A contract in which both contracting parties are bound to fulfill obligations reciprocally towards each other.
BLANKET PURCHASE AGREEMENT	An agreement established by a customer with a General Services Administration (GSA) Schedule Contractor to fill repetitive needs for supplies or services.
BRAND NAME OR EQUAL	Type of product description which identifies one or more commercial products by brand name and which sets forth those characteristics of the named product essential to the
BREACH OF CONTRACT	Failure, without legal cause, to perform any promise under a contract.
BUNDLED (CONTRACT)	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. A contract where the requirements have been consolidated by bundling
BUY-IN	A bidder's attempt to win a contract by submitting a price which will result in a loss, with the hope of making the contract profitable through change orders or follow-on contracts
CAGE CODE	The Commercial and Government Entity (CAGE) code is a five-character ID number used extensively within the Federal government and administered by Defense Logistics
CAPABILITY STATEMENT	A one or two page document summarizing a company's background, certifications, experience,
CARDINAL CHANGE	Capabilities, expertise, past performance and containing pertinent codes such as DUNS, CAGE, etc.
CERTIFICATE OF COMPETENCY	A certificate issued by the Small Business Administration (SBA) stating that the holder is "responsible" (in terms of capability, competency, capacity, credit, integrity, perseverance, and tenacity) for the purpose of receiving and performing a specific government contract
CHANGE ORDER	A written order pursuant to the Changes Clause of the contract directing the contractor to make changes to the contract work.
CONSTRUCTIVE ACCELERATION	A requirement that a contractor complete his work earlier than the contract time, including time extensions to which he is entitled because of excusable delays.
CONSTRUCTIVE CHANGE	A change to a contract resulting from conduct by the government which has the effect of requiring the contractor to perform work different from that presented in the contract.
CONTRACT MODIFICATION	Any unilateral or bilateral written alteration of the contract in accordance with the governing regulations and contract clauses.
CONTRACT TYPE	Specific pricing arrangements are employed for the performance of work under contracts. These arrangements include firm fixed-price, fixed-price incentive, cost incentive, cost-plus-fixed-fee, plus-incentive-fee, and several others.
COST REIMBURSEMENT CONTRACT	Type of contract in which the pricing arrangement involves the payment of allowable costs incurred by the contractor during performance.
COST SHARING	An explicit arrangement under which the contractor bears some of the burden of reasonable, allocable, and allowable contract cost
CURE NOTICE	Notice, either oral or written, that informs the vendor that he or she is in default and states what the vendor has to do to correct the deficiency
DEDUCTIVE CHANGE	A change resulting in a reduction in contract price.

ChallengeHER

GOVERNMENT CONTRACT GLOSSARY OF TERMS

DELIVERABLE	A report or product that must be delivered to an agency by the contractor (or by the sub to the prime contractor) to satisfy contractual requirements
DELIVERY	An order for supplies placed against an established contract or with Government sources
DESIGN SPECIFICATION	Type of specification which prescribes the materials and methods to be used for contract performance.
DIFFERING SITE CONDITIONS	Unanticipated physical conditions at the site which differ materially from those set forth in the contract or ordinarily encountered in work of the nature provided.
DIRECT COSTS	Any cost that is identified specifically with a particular final cost objective. Direct costs are not limited to items that are incorporated in the end product as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified specifically with other final cost objectives of the contractor are direct costs of those cost
DISADVANTAGED BUSINESS ENTERPRISE	An independent small business enterprise which is at least fifty-one percent (51%) owned and controlled by one or more socially and/or economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it
DUNS NUMBER	Data Universal Numbering System - The 9-digit number assigned by Dun and Bradstreet, Inc. (D&B), to identify unique business entities, which is used as the identification number for Federal contractors
EQUITABLE ADJUSTMENT	An adjustment to the contract price or time resulting from a change, differing site condition or the like, which compensates the contractor for reasonable costs, plus overhead and profit.
ESCALATION CLAUSE	A contract provision that permits the adjustment of contract prices by an amount or percent if certain specified contingencies occur, such as changes in the vendor's raw
EXCESS REPROCUREMENT COSTS	Additional costs which the government incurs following a default termination to reprocure the defaulted quantity of supplies, services, or unfinished work.
EXCUSABLE DELAY	Delay to contract performance which is beyond control, fault, or negligence of the contractor and will prevent a termination for default.
FEDERAL ACQUISITION REGULATIONS	The body of regulations that are the primary sources of authority governing the Federal government procurement process
FIXED PRICE CONTRACT	Type of contract in which contractor agrees to perform for an established price, agreed in advance.
FLOW-DOWNS	Clauses from a prime contractor's contract with the government that are incorporated into the prime's subcontracts.
FULL AND OPEN COMPETITION	When used with respect to a contract action, means that all responsible sources are permitted to compete
HUBZone	A historically underutilized business zone that is an area located within one or more qualified census tracts, qualified nonmetropolitan counties, lands within the external boundaries of an Indian reservation, qualified base closure areas, or re-designated areas
IMPLIED CONTRACT	Contract not created by explicit agreement between the parties, but inferred by law from their acts or conduct.

ChallengeHER

GOVERNMENT CONTRACT GLOSSARY OF TERMS

INDEFINITE DELIVERY/INDEFINITE	IDIQ - A type of contract in which the exact date of delivery or the exact quantity are not specified until a delivery or task order is issued
INDIRECT COST	Any cost not directly identified with a single final cost objective, but identified with two or more final cost objectives or with at least one intermediate cost objective
INDUSTRY SPECIFICATION	Type of specification prepared by technical or industry associations that is approved for use by federal agencies.
INVITATION FOR BIDS	Information forwarded to potential bidders requesting bids for a sealed bid procurement.
JOINT VENTURE	An association of two or more business entities to carry on a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and knowledge
LIQUIDATED DAMAGES	A specific sum of money which has been expressly stipulated by the parties to a contract as the amount of damages to be recovered in the event of a breach.
LOWEST APPARENT BIDDER	The bidder whose bid is the lowest at a public bid opening. However, the lowest apparent bid must be verified and the bidder must comply with additional requirements to become the lowest responsible bidder (i.e. the bidder that submits the lowest bid and complies with all prescribed requirements)
MICRO-PURCHASE	An acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold Means \$3,500, except it means— (1) For acquisitions of construction subject to the Davis-Bacon Act, \$2,000; (2) For acquisitions of services subject to the Service Contract Act, \$2,500; and (3) 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 13.201(g)(1), except for construction subject to the Davis-Bacon Act (41 U.S.C. 428a)— (i) \$20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and (ii) \$30,000 in the case of any contract to be awarded and performed, or purchase to be
MULTI-AGENCY CONTRACT	A task-order or delivery-order contract established by one agency for use by Government agencies to obtain supplies and services
NAICS CODES	North American Industrial Classification System - NAICS (pronounced "Nakes") comprise new codes that were developed by the Census Bureau to replace the current SIC Code. NAICS recognizes hundreds of new businesses in our economy, primarily in the fast-growing service sector. NAICS classifications are updated regularly to keep pace with changing business conditions and information needs. The new numbering system provides five levels of classification containing detailed codes that have a maximum of six digits
NEGOTIATED PROCUREMENT	Procedure for contracting whereby the government and potential contractors negotiate on both price and technical requirements after submission of proposals. Award is made to the contractor whose final proposal is most advantageous to the government.
NOTICE TO PROCEED	A written order by the government to the contractor to proceed with the contract work.
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

ChallengeHER

GOVERNMENT CONTRACT GLOSSARY OF TERMS

OPTION	A unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the term of the contract
PAST PERFORMANCE	An offeror's or contractor's performance on active and physically completed contracts
PAYMENT	A bond which secures a contractor's obligation to pay its laborers and materialmen.
PERFORMANCE BOND	A bond which secures a contractor's obligation to properly complete the contract work.
PERFORMANCE SPECIFICATION	Type of specification which sets forth an end result, leaving method of performance to the contractor.
PERFORMANCE-BASED ACQUISITION	An acquisition structured around the results to be achieved as opposed to the manner by which the work is to be performed
PERFORMANCE-BASED WORK	A statement of work for performance-based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes
PERSONAL SERVICES CONTRACT	A contract that, by its express terms or as administered, makes the contractor personnel appear to be, in effect, Government employees
PRIVITY OF CONTRACT	Occurs when a party has a direct contractual relationship with another party.
PROCUREMENT	The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment
PROGRESS PAYMENT	Periodic contract payments made as work progresses.
QUALIFIED PRODUCTS LIST	A list of products that have been examined, tested, and have satisfied all applicable qualification requirements
REQUEST FOR PROPOSALS (RFP)	All documents, whether attached or incorporated by reference, utilized for soliciting proposals; the government RFP process usually requires negotiation with offerers as distinguished from competitive bidding when using an invitation for bids
REQUEST FOR QUOTE (RFQ)	A type of solicitation used typically with small-dollar contracts or purchases, but may be used for commercial items up to an agency's prescribed dollar limit
SEALED BIDDING	A basic method of procurement which involves the solicitation of bids and the award of a contract to the responsible bidder submitting the lowest responsive bid.
SHALL	Means the imperative
SHOULD	An expected course of action or policy that is to be followed unless inappropriate for a particular circumstance
SIMPLIFIED ACQUISITION THRESHOLD	<p>\$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—</p> <p>(1) \$300,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and</p> <p>(2) \$1 million for any contract to be awarded and performed, or purchase to be made,</p>

ChallengeHER

GOVERNMENT CONTRACT GLOSSARY OF TERMS

SMALL BUSINESS CONCERN	A business or 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
SUBSTANTIAL PERFORMANCE	Performance which deviates only in minor respects from the contract's requirements, thereby precluding a termination for default.
SUPPLEMENTAL AGREEMENT	A change to an existing contract which is accomplished by the mutual action of the parties.
TERMINATION FOR CONVENIENCE	Unilateral right of the government to terminate contracts at will.
TERMINATION FOR DEFAULT	Sanction which the government may impose for a contractor's unexcused failure to perform.
TWO-STEP SEALED BIDDING	Procurement method whereby contractors submit technical proposals in response to government performance specifications. Each contractor whose technical proposal is acceptable then submits a sealed bid in accordance with normal bidding procedures.
UNILATERAL MODIFICATION	A change in the contract requirements unilaterally directed by the government.
WOSB SET ASIDE	A set aside program to help 51% or more woman owned small businesses participate in federal contracts