

# CONTRACTING

IT'S THE LAW - BOTH SIDES OF THE PECOS



# Contracting

Objectives: At the end of this session each participant will:

- Understand the value of good relationships with Contracting Division
- Understand the importance of Contracting Officer Authority
- Know the types of contracts used on Operations Projects
- Know the importance of contracting in managing Operations Projects

## ***Working with Contracting Division***

***Should Work  
Together as  
Partners***

- **Responsible for Contracting**
- **P.A.R.C. Principal Assistant Responsible for Contracting**
- **Develop good relationships**
- **Acquire knowledge, (FARS etc.)**
- **Develop your own specifications**

**A man has to know  
his limitations...**

## ***Contracting Officer Authority***

- **25K in the field**
- **Headquarters support**

## ***Commerce Business Daily (C.B.D.)***

The Dept. of Commerce publishes and posts on the internet, the publication called the

### **Commerce Business Daily**

to inform prospective bidders of government purchasing requirements expected to exceed \$ 25,000.



## ***The CBD on the Internet***

**[www.cbd.gov](http://www.cbd.gov)**



**cbd online**



# **Supplies - Services - Construction**

**How we do it:**

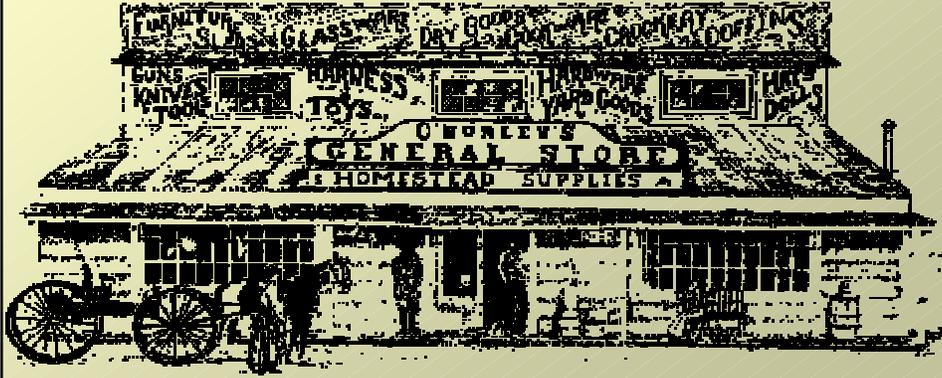
**Micro - Purchases**

**Simplified Acquisition Procedures**

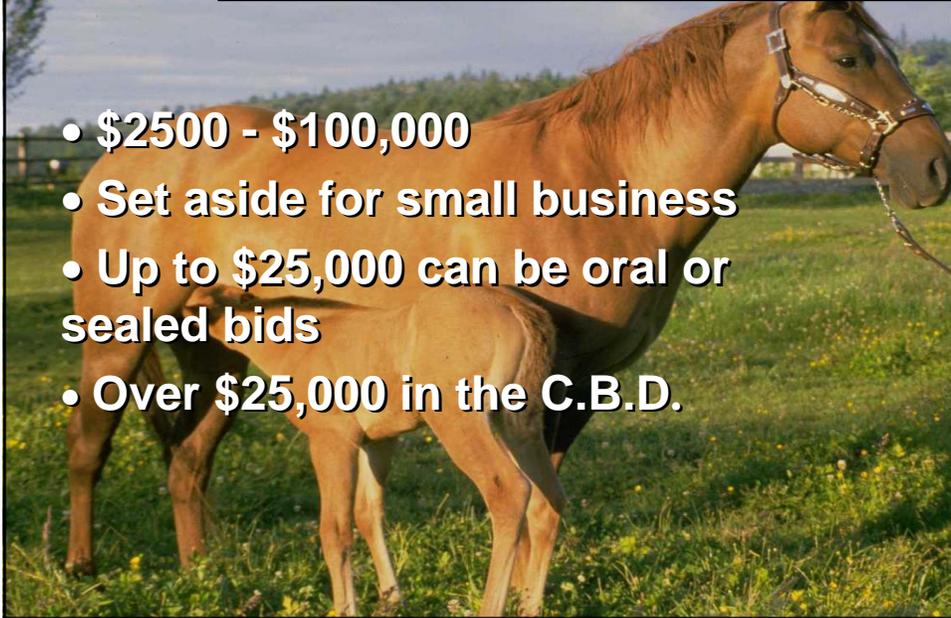
**Sealed Bidding**

**Negotiating**



Micro - Purchases	<h2><b>Micro - Purchases</b></h2> <ul style="list-style-type: none"><li>• Less than \$2500</li><li>• Credit cards, checks, etc.</li><li>• Bids not required</li><li>• Can accept fair and reasonable price</li></ul> 
Simplified Acquisition Procedures	
Sealed Bidding	
Negotiating	

Micro - Purchases	<b><i>Simplified Acquisition Procedure</i></b>
Sealed Bidding	
Negotiating	



- \$2500 - \$100,000
- Set aside for small business
- Up to \$25,000 can be oral or sealed bids
- Over \$25,000 in the C.B.D.

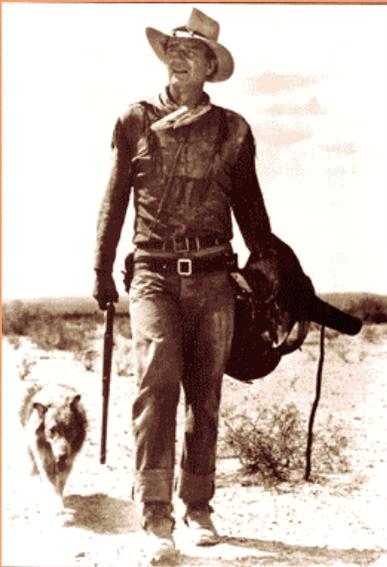
Micro - Purchases	<b><i>Sealed Bidding and Negotiating</i></b>
Sealed Bidding	
Negotiating	



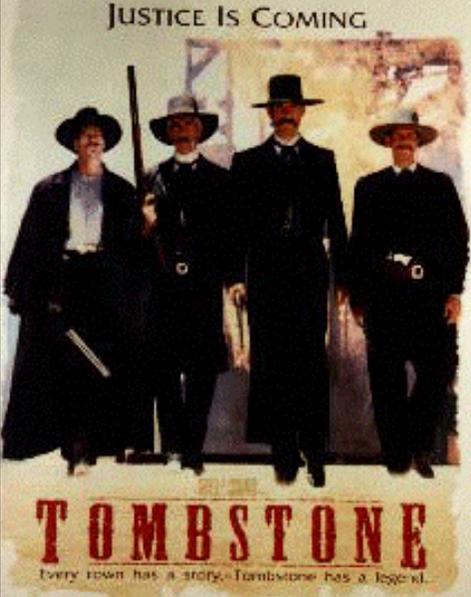
- Over \$100,000
- Full and open competition
- Must be in C.B.D.

Micro - Purchases	<h1>Sealed Bidding</h1>
Sealed Bidding	
Negotiating	

- An invitation for bids (IFB) is issued inviting interested parties to compete by submitting a sealed bid.
- Bids are publicly opened at a date and time as specified in IFB.
- The bids are evaluated without discussion.
- Contract award is made to the responsible bidder whose bid, conforming to the IFB, is most advantageous to the gov't, considering only price.



Micro - Purchases	<h1>Negotiating</h1>
Sealed Bidding	
Negotiating	



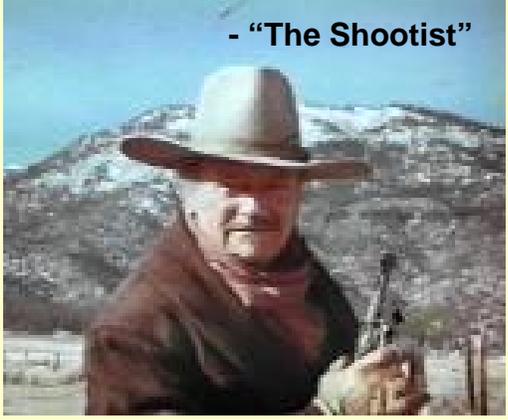
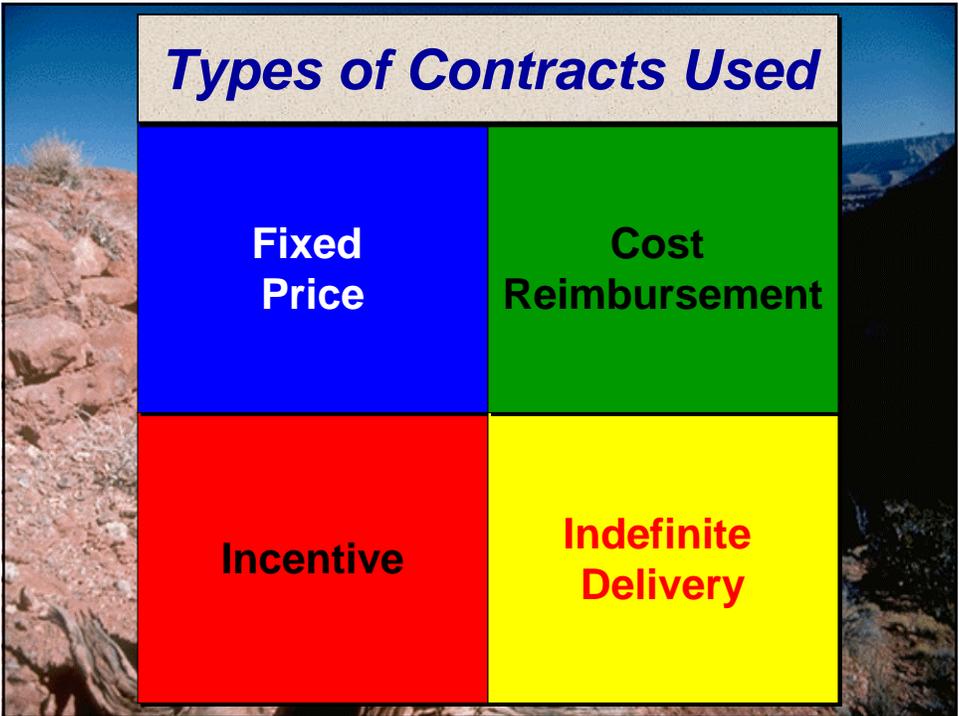
- A request for proposals is issued inviting interested parties to submit proposals.
- A team evaluates the returned proposals.
- If discussion is required, the offerors may be given an opportunity to revise their proposals prior to award.
- There may be revisions in price, schedules, technical requirements etc.

Micro - Purchases	<h1>Negotiating</h1>
Sealed Bidding	
Negotiating	

- **Complete evaluations of all proposals and obtain best and final offers.**
- **Award is made to the responsible offeror whose proposal is most advantageous to the government considering price and other factors as specified in the solicitation.**

"I won't be wronged, I won't be insulted, and I won't be laid a hand on. I don't do these things to other people, and I require the same from them".

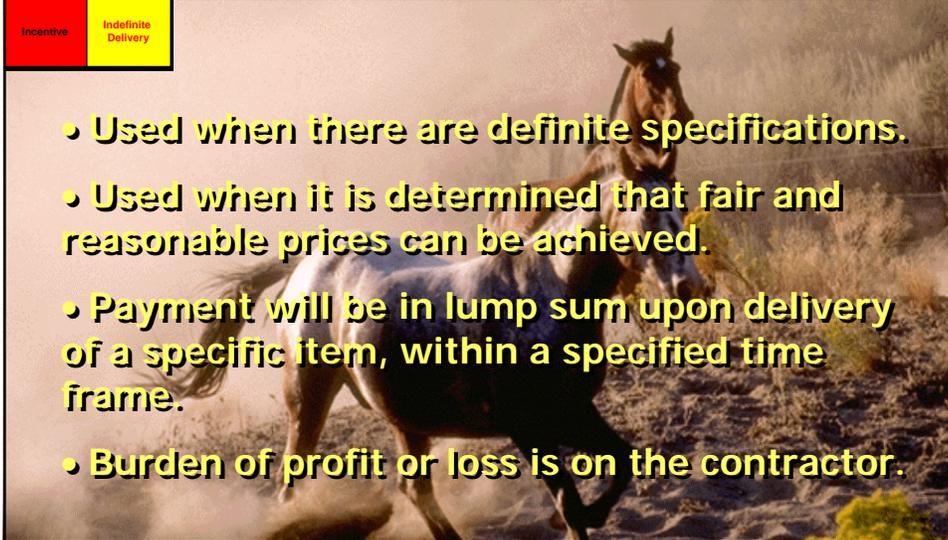
- "The Shootist"

## Types of Contracts Used

Fixed Price	Cost Reimbursement	<b>Fixed Price</b>
Incentive	Indefinite Delivery	

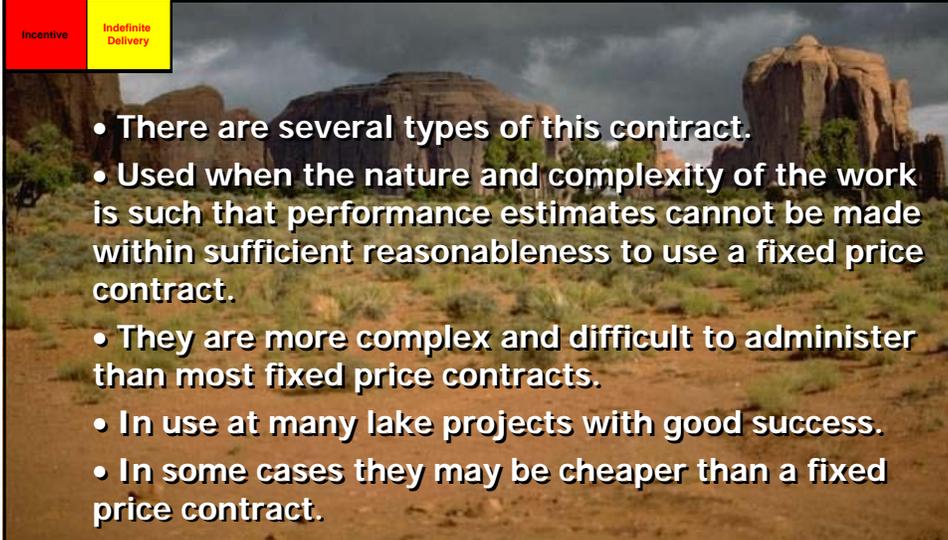
- Used when there are definite specifications.
- Used when it is determined that fair and reasonable prices can be achieved.
- Payment will be in lump sum upon delivery of a specific item, within a specified time frame.
- Burden of profit or loss is on the contractor.



## Types of Contracts Used

Fixed Price	Cost Reimbursement	<b>Cost Reimbursement</b>
Incentive	Indefinite Delivery	

- There are several types of this contract.
- Used when the nature and complexity of the work is such that performance estimates cannot be made within sufficient reasonableness to use a fixed price contract.
- They are more complex and difficult to administer than most fixed price contracts.
- In use at many lake projects with good success.
- In some cases they may be cheaper than a fixed price contract.



## Types of Contracts Used

Fixed Price	Cost Reimbursement	
Incentive	Indefinite Delivery	<b>Incentive</b>

- A form of contract that may be used in both fixed price and cost reimbursement situations.
- They harness the profit motive and cause the contractor to perform more effectively.
- Efficiency or quality or both may be awarded and both penalized.

## Types of Contracts Used

Fixed Price	Cost Reimbursement	
Incentive	Indefinite Delivery	<b>Indefinite Delivery</b>
		Definite Quantity    Indefinite Quantity    Requirements Contract

- Definite Quantity
- Indefinite Quantity
- Requirements Contract

## Types of Contracts Used

Fixed Price	Cost Reimbursement	
Incentive	Indefinite Delivery	<b>Indefinite Delivery</b>
		<b>Definite Quantity</b>

Indefinite Quantity
Requirements Contract

- A definite quantity is ordered over an estimated period of time.
- Delivery is made as ordered.

Boot Hill

## Types of Contracts Used

Fixed Price	Cost Reimbursement	
Incentive	Indefinite Delivery	<b>Indefinite Delivery</b>
		<b>Indefinite Quantity</b>

Definite Quantity
Requirements Contract

- An unknown quantity will be ordered over a definite period of time.
- A minimum amount must be given that the government will purchase.
- Used extensively at O&M projects.

## Types of Contracts Used

Fixed Price	Cost Reimbursement	
Incentive	Indefinite Delivery	<b>Indefinite Delivery</b>
	Definite Quantity	Indefinite Quantity
	<b>Requirements Contract</b>	

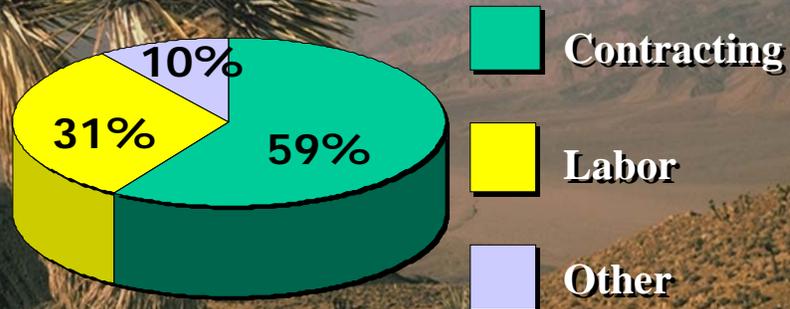
- The government agrees to order all of its needs from the contractor.
- The government gives an estimate of the quantities it will need for bidding purposes.
- Delivery is made as ordered.
- Also used extensively at O&M projects.

## Contract Administration

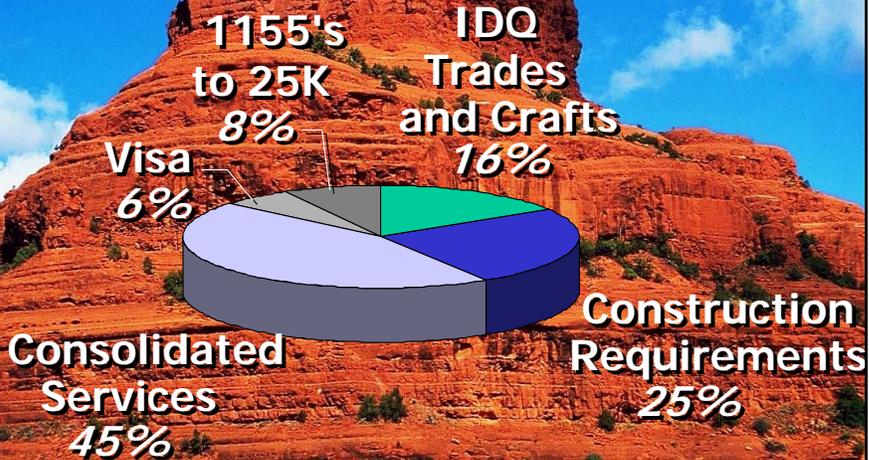
**C.O.R. - Is responsible for contract administration assigned in writing by the Contracting Officer.**

- Establish a Quality Assurance Plan for each type of contract used.
- Random Sampling - Is a tremendous time-saver on service contracts, but contract administration is not a free ride.

## Activity % of O&M Total Budget Ft. Worth District



## Contracting Activity at Little River Project



## ***Why Knowledge of Contracting is Important***

- Obvious based on dollars expended
- Knowledgeable people
- Takes time to learn
- Mistakes can get you fired or in jail
- It's the way we do business and get the job done



***Any  
Questions,  
Pilgrim?***



*The End*