SEALED BIDDING

INSTRUCTOR GUIDE

FEDERAL ACQUISITION INSTITUTE

CURRICULUM OF PROCUREMENT
TRAINING COURSES

CURRENT THROUGH
FAC 90-20

OFFICE OF ACQUISITION POLICY

GSA TRAINING CENTER

INTRODUCTION

APPROACH TO THE COURSE

Length:	One week (4 1/2 days)
Who Should Attend:	The Contracting By Sealed Bidding course should be addressed to those procurement professionals who have had little or no experience with sealed bidding. The course covers all aspects of processing sealed bids.
Performance-Oriented:	This course is designed to be performance-oriented. The student is expected to learn how to perform a task, not just know the process. This performance-oriented training is taught by using numerous examples and practical exercises including: case studies, role playing, and decision tables.

GSA COURSE CURRICULUM

This space reserved for a summary statement on the curriculum and how this course fits into it.

BACKGROUND OF COURSE DEVELOPMENT

Initial Analysis:	The Federal Acquisition Institute (FAI) coordinated a Government-wide study that involved a thorough job analysis of the contract specialist's job. The result of this analysis led to the development of a series of blueprints to be used in the training process.
Blueprints:	Every training blueprint covers a distinct and exclusive leg of the procurement process -- as defined by its competency and tasks. Laid end to end, the training blueprints roughly map the procurement process. There are 16 blueprints applicable to the Contracting By Sealed Bidding course. However, blueprints from preceding courses may and do have applicability to this course and other courses.
Learning Objectives:	Each blueprint consists of a primary learning objective which identifies the conditions, actions, and standards under which the student is expected to perform. Each blueprint maps out a route for accomplishing the primary learning objective through several enabling objectives and identifies the skills and knowledge required to achieve the primary learning objective.

CONCEPTS OF COMPETENCY LEVELS

Definition:	Different levels of learning, or competency levels, have been assigned to each task. For example, the student should emerge from the course with the basic knowledge requirements and, in many cases, the ability to competently perform the tasks relating to that knowledge upon returning to the worksite.
Bloom's Taxonomy:	Bloom's Taxonomy is based on six degrees to which information is taught and can be learned. In the context of the current program, the six levels are: 1. Knowledge, 2. Comprehension, 3. Application/ Performance, 4. Analysis, 5. Synthesis, and 6. Evaluation. The Sealed Bidding course uses the first three of the six levels: Level 1—Knowledge, Level 2—Comprehension, and Level 3—Application/ Performance.
Level 1—Knowledge	Definition—Recalling information pretty much as it was learned. Explanation—In its simplest manifestation, this includes knowledge of the terminology and specific facts associated with an area of subject matter. At a more complex level, it means knowing the major sub-areas, methods of inquiry, classifications and ways of thinking characteristic of the subject area, as well as its central theories and principles.
Level 2—Comprehension	Definition—Reporting information in a way other than how it was learned in order to show that it has been understood. Explanation—Comprehension is demonstrated by reporting something learned through an alternative medium. More complex evidence of comprehension involves interpreting information in "one's own words" or in some other original way, or extrapolating from it to new but related ideas and implications.
Level 3—Application/ Performance:	Definition—Use of learned information to solve a problem or perform a specific task. Explanation—This means carrying over knowledge of facts or methods learned in one specific context to completely new ones. In addition, it means that the student can apply his/her knowledge of the material to actually perform the task.

INSTRUCTIONAL TECHNIQUES

Case Studies:	There are case studies for Lessons 2 through 8. These lessons are considered performance-oriented lessons and thus, the student must be able to perform the task. Lessons 1 and 9 are not performance-oriented and do not require practical exercises. The case studies are written as scenarios or stories about particular procurement situations. There are several questions that follow the scenarios relating to the case and the particular lesson. Students shall read each case study and attempt to answer the questions. Sometimes it may be useful to break the students into small groups and have them read and submit an answer as a group. (Specific instructions in case study use are detailed in the individual lesson outlines found later in the instructor guide.)
Interactive Viewgraphs:	An interactive viewgraph is a slide on the overhead projector that requires a response from the class. For example, if you are showing a decision table, the "then" side would be empty and the students would help you fill out the answers. Or perhaps the slide asks a particular question about a list of conditions shown on the slide. These viewgraphs are intended to keep student's interest level high by requiring their attention. Interactive viewgraphs are marked the same as other viewgraphs, but are followed by a letter (e.g., VG 7-18a).
Simulation Exercise:	The simulation exercise is a role playing exercise covering most of the learning objectives outlined in the Contracting By Sealed Bidding course. This exercise takes the students through four phases: bid preparation, bid opening, bid evaluation, and responsibility/award determination. All students in the class will be playing a role in the sealed bid process. For example, there are roles for the bid opening officer, recorder, late bidder, contractors, and evaluation panel. The simulation exercise is located in the instructor's guide at Appendix A. (Specific instructions in managing the simulation are detailed in the lesson outlines).

Exams:

Pre-Test—A pre-test, at your discretion, may be used as an after hours reading assignment. Choose approximately 20 questions from the exam bank for the students to take home and research the answers. This will give them an idea of the types of questions that will be on the end of course exam.

Post-Test—The post-test will contain approximately 60 questions and will be administered on the last morning of class. The test should take no more than 75 minutes. All test questions were developed to verify the learning acquired from course lesson learning objectives. Every question has a blueprint number and an enabling objective number assigned to it. If you want more information on the question, you can look up which enabling objective the question applies to.

Interactive Learning—Questions are presented orally at the end of each day. This "inquiry method" is useful in reviewing the lesson material. Conduct the "inquiry method" by asking one student to answer a particular question. When that student has finished answering, ask another student, or the class, if they have anything to add to the answer or if the answer was correct. Continue this process until you are sure the class understands the correct answer(s) to the review question.

DESIGN OF THE INSTRUCTOR GUIDE

Organization: The instructor's guide is organized by day and by lessons. Each day's material contains the lesson plans for the material to be covered that day. The four and one-half day course covers nine lessons. Each lesson corresponds to a chapter in the text/reference.

Overview/Course Agenda: This section shows what lessons, topics, and exercises are scheduled for each day. The lesson length is also shown here.

Lessons: This instructor guide contains nine separate lessons. Each lesson has the following subheadings:

- Primary Learning Objective
- Lesson Learning Objectives
- Estimated Time
- Method of Instruction
- Student Materials
- Instructor Materials
- Instructor References
- Lesson Plan
- Case Studies
- Review Questions
- Interactive Viewgraph Answers
- Hard Copies of Viewgraphs

Each Lesson Plan contains three columns.

The first column is titled Reference. It lists the applicable text/reference or classroom materials by page numbers (i.e., TR 1-1 or CM 1-1). This column also contains descriptive ICONS that relate to instructor activity. ICONS used in this instructor guide are shown below.

Show viewgraph

Case Study

Show interactive viewgraph

Use chalkboard/ flipchart

Instructor note

Writing assign-ment (Worksheet)

The second column is titled Steps in Presenting the Topic. It lists the major teaching points, information to support the teaching points, and transitions. Do not use these teaching points as a script, but rather as a guide to what should be taught under that specific topic.

The third column for the most part is blank. Please feel free to add your own personal notes to your copy of the Instructor Guide.

OTHER COURSE MATERIALS AND TRAINING AIDS

Text/Reference: The text/reference is organized into nine chapters which correspond to the nine class lessons:

- Chapter 1—The Decision to Use Sealed Bidding and Review of Procurement Planning
- Chapter 2—The Solicitation
- Chapter 3—Publicizing the IFB and Preaward Inquiries
- Chapter 4—Amending and Cancelling IFBs
- Chapter 5—Processing Bids
- Chapter 6—Mistakes in Bids
- Chapter 7—Responsibility
- Chapter 8—Award of Contract
- Chapter 9—Protests

In addition, the text/reference includes the following appendices:

- Appendix A—Contract Clause Examples
- Appendix B—Two-Step Sealed Bidding
- Appendix C—Glossary
- Appendix D—Acronym List
- Appendix E—Index of Course Topics

Classroom Materials: Each student is to be given classroom materials at the beginning of the course. Contents include:

- Introduction
- Course Agenda (same as Instructor's Guide)
- Ten lessons. Each lesson will include:
  - Learning Objectives
  - Estimated Time
  - Method of Instruction
  - Materials (e.g., case studies and worksheets)

Before Class Begins:

- Review the attendance roster prior to class to evaluate the makeup of the group (i.e., government agency represented, grade level, etc.).

- Continue to evaluate experience and ability level throughout the course and use this information to form study/work groups as required.

- Obtain necessary training aids before class startup:
  - Viewgraphs and overhead projector
  - Viewgraph markers
  - Flipchart and markers
  - Chalk for the chalkboard

- Examine the classroom carefully before students arrive. The physical arrangement of tables and chairs in the room has a direct bearing on classroom atmosphere. Ensure there is a table for all your materials. Allow sufficient room for yourself to move easily from table to table to assist individuals as required.

During Class:

- Stick to the schedule; there is much material to cover in four and one-half days. Move the class along briskly without skipping over or eliminating material.

- Use supplementary reference materials (e.g., FAR, professional publications, regional and local procedures) as much as possible without omitting planned classroom topics.

- On the final day, remember to collect the completed course evaluations from all students.

- Homework in the form of reading assignments is strongly recommended. Ask the students to read the appropriate portion of the text/reference to be covered the next day.

- You must record the scores for each student's end of course exam. The exam will be scored by a percentage of correct answers (for example, 15 correct answers out of 30 possible = 50%).

TIPS ON PREPARING YOURSELF TO TEACH THE COURSE

Use of the Text/ Reference:	Read the text thoroughly. Mark up the text as necessary to remind yourself of specific personal experiences you may have had in the field of procurement, or with any other kind of helpful notes.
Use of the Instructor Guide:	Read the instructor guide thoroughly. Add notes to yourself in the far right hand column to assist in the presentation of the material. Follow the icons when they tell you to do something.
Knowledge of Regulations:	As an instructor, you must be well-versed in the FAR. You should also be knowledgeable with other agencies' acquisition regulations that implement or supplement the FAR. Of particular importance is a familiarity with DOD's DFARS.
Before Class:	Carefully review all the materials to be used, especially the case studies. Build your own examples, as appropriate, to assist in presenting the topics.
During Class:	Utilize any supplementary materials you may have personally used or developed to enrich the course.

NOTE TO THE INSTRUCTOR:

You are now ready to teach the sealed bidding course. The pages immediately following are an administrative overview to be conducted during the first 30 minutes of Day One. After the administrative overview, you may begin with Lesson 1 and continue with each subsequent lesson.

TOPIC:	CLASS INTRODUCTIONS
REF:	CM A-1
OBJECTIVE:	Instructor and Student Introductions — Day One
TIME:	8:00 a.m — 25 minutes
METHOD:	Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM A-1	a. Have your name and course title written on the flipchart before students arrive. At 8:00 a.m. sharp, introduce yourself and state briefly your qualifications for teaching the course. b. Have students prepare their name cards, initial the attendance roster or add their names in cases of substitutions or additions. c. Point out to the students their copies of the text/reference and classroom materials. Note the course evaluation to be completed at course end. d. Have each student introduce him/herself to the class including name, agency job title or function, geographical base and reason for taking the course. e. Ascertain the experience level of the class relative to sealed bidding.	

TOPIC: ADMINISTRATIVE DETAILS

REF: CM A-1, 2-16

OBJECTIVE: Cover Course Administrative Matters

TIME: 8:25 a.m — 5 minutes

METHOD: Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM A-1	a. Training Facility Layout. Indicate locations of restaurants, lounge areas, vending machines, and restrooms. b. Class Hours. Brief class hours, breaks and lunch times: 1. 8:00 a.m. to 3:30 p.m. (Mon. through Thurs.) 2. 8:00 a.m. to 12:00 p.m. (Friday) 3. Two 20-minute breaks daily (1 in the a.m., 1 in the p.m.) 4. 60-minute lunch (generally 12:00 p.m.) c. Homework. Assign nightly readings for the next day's lessons.	
CM 2-16	d. Interactive Reviews and Exams. Explain the interactive review questions at the end of each lesson starting with Lesson 2 and the end of course closed-book exam requiring a score of 70% in order to pass the course. Contracting By Sealed Bidding is a warrant qualifying course of instruction which must be passed by designated contracting officers or those individuals possessing contracting authority.	

TIME	LESSONS
DAY ONE	
8:00 a.m. (25 minutes)	**INTRODUCTIONS — Instructor and Students**
8:25 a.m. (5 minutes)	**ADMINISTRATIVE DETAILS**
8:30 a.m. (60 minutes)	**Lesson 1 — Review of Procurement Planning**
9:30 a.m. (20 minutes)	**Break**
9:50 a.m. (90 minutes)	**Lesson 2 — The Solicitation**
11:20 a.m. (10 minutes)	**Lesson 2 — Assign Case Study 2-3**
11:30 a.m. (60 minutes)	**Lunch**
12:30 p.m. (180 minutes)	**Lesson 2 — Case Study 2-3 Preparation and Presentations Break included**
DAY TWO	
8:00 a.m. (70 minutes)	**Lesson 3 — Publicizing**
9:10 a.m. (20 minutes)	**Break**
9:30 a.m. (90 minutes)	**Lesson 3 — Preaward Inquiries**
11:00 a.m. (60 minutes)	**Lesson 4 — Amending**
12:00 p.m. (60 minutes)	**Lunch**

TIME	LESSONS
1:00 p.m. (70 minutes)	**Lesson 4 — Cancelling**
2:10 p.m. (20 minutes)	**Break**
2:30 p.m. (60 minutes)	**Lesson 5 — Processing Bids Assign Simulation Exercise**
DAY THREE	
8:00 a.m. (30 minutes)	**Lesson 5 — Processing Bids (Sections 5.1 through 5.2.3)**
8:30 a.m. (60 minutes)	**Lesson 5 — Conduct Bid Opening (Simulation Exercise)**
9:30 a.m. (20 minutes)	**Break**
9:50 a.m. (40 minutes)	**Lesson 5 — Late Bids**
10:30 a.m. (45 minutes)	**Lesson 5 — Firm Bid Rule/Bid Acceptance Period**
11:15 a.m. (60 minutes)	**Lunch**
12:15 p.m. (75 minutes)	**Lesson 5 — Responsiveness**
1:30 p.m. (20 minutes)	**Break**
1:50 p.m. (100 minutes)	**Lesson 5 — Evaluate Bid Prices**
DAY FOUR	
8:00 a.m. (30 minutes)	**Lesson 5 — Complete Case Studies 5-4 and 5-4b**

TIME	LESSONS
8:30 a.m. (160 minutes)	**Lesson 6 — Mistakes in Bids**
9:30 a.m. (20 minutes)	**Break**
11:30 a.m. (60 minutes)	**Lunch**
12:30 p.m. (160 minutes)	**Lesson 7 — Responsibility**
2:00 p.m. (20 minutes)	**Break**
DAY FIVE	
8:00 a.m. (30 minutes)	**Complete Simulation Exercise**
8:30 a.m. (30 minutes)	**Lesson 8 — Award the Contract the Contract**
9:00 a.m. (20 minutes)	**Lesson 9 — Protests**
9:20 a.m. (20 minutes)	**Break**
9:40 a.m. (1hr, 20 minutes)	**Lesson 10 — The case of the replacement lawn mowers**
11:00 a.m. (1 hour)	**End of Course Exam**

INSTRUCTOR NOTES

LESSON 1

PROCUREMENT PLANNING REVIEW

Course Learning Objective (CLO)	At the completion of this lesson, you will be able to: 1-1 State the four requirements for the use of sealed bidding. 1-2 Describe elements used in procurement planning (e.g., purchase requests, specifications and source lists).
Estimated Time	1 hour—lecture/discussion
Method of Instruction	Discussion of sealed bidding requirements using the vignette on page 1-1 of the T/R as an example. FAR references--Part 14 and Appendix E . Lecture/Discussion on procurement planning review using chart on pages 1-6 and 1-7 of T/R. Case Study 1-1 (optional)
Student Materials	Text/Reference—Chapter One Classroom Materials—Lesson One
Instructor Materials	Text/Reference—Chapter One Instructor Guide—Lesson One Overhead Projector Viewgraph slide for Lesson One
Instructor References	FAR 10.001—Definition of Specifications FAR 6.401—Conditions for the Use of Sealed Bidding

TOPIC:	1.1 CONCEPT OF SEALED BIDDING
REF:	TR 1-1 through 1-3
OBJECTIVE:	Teach the students the concept of sealed bidding
TIME:	8:30 a.m.—10 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 1-1 to 1-3	a. Give the students 5 minutes to read the vignette on page 1-1 of the TR. • Discuss with the class the questions at the end of the vignette. b. Teach the concept of sealed bidding to include: • A structured, competitive system open to public scrutiny that discourages abuses in government acquisition. • Steps in this procurement method are: 1. Prepare clear, descriptive invitations for bids (IFBs). 2. Publicize IFBs in sufficient time to encourage competition. 3. Open sealed bids publicly at set date and time. 4. Evaluate bids without discussion. 5. Select the conforming, responsible, low bidder. • Very, very fair system when conducted properly.	

TOPIC:	1.2 STEPS IN PROCUREMENT PLANNING
REF:	TR 1-5 through 1-7
OBJECTIVE:	Review the steps in procurement planning.
TIME:	8:40 a.m.—10 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 1-5 to 1-7	a. A correct assessment of given information will lead to the most appropriate method of procurement for a particular acquisition.	
	b. Ask the students to turn to pages 1-6 and 1-7 of the TR. • Review the 13 steps listed in procurement planning. Notice in step 12, select the method of procurement, sealed bidding is one of four choices. • Working carefully through steps 1-11 will lead us to a correct decision in step 12 as to the selected method of procurement.	

TOPIC:	1.3, 1.3.1, 1.3.2, 1.3.3, 1.3.4 KEY PROCUREMENT PLANNING CONCEPTS
REFERENCE:	TR 1-8 through 1-11, CM 1-2 through 1-6
OBJECTIVE:	Review of selected key procurement planning concepts 1.3.
TIME:	8:50 a.m. — 25 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 1-8	a. Purchase Requests 1.3.1. Teach that the starting point in the procurement process is the purchase request.	
CM 1-2	• Review the purchase request (PR) example found at CM 1-2. • The requirement for xerographic paper is presented to the contract specialist for purchase.	
TR 1-9	• The PR is carefully reviewed to ensure that all essential information is included that will later appear in the actual solicitation, the IFB. • The PR must be completely accurate before the process can move forward in this presolicitation phase.	

PURCHASE REQUEST

REQUISITION FOR EQUIPMENT, SUPPLIES, OR SERVICES				1. PAGE 1 OF 2 pages
2. REQUISITION NUMBER **A001-85**	3. STOCKROOM CONTROL NO.	4. STOCKROOM CODE NO.	5. DATE PREPARED **NOV. 26, 1989**	6. JOB NUMBER **1099**

7. TO	8. FROM *(Requisitioning point - name and location)*
FEDERAL TRAINING CENTER, ABC OFFICE OF CONTRACTS, REGION 1, RM 4208 FED. CENTER BLDG 4, ARLINGTON, VA 22222	Federal Training Center, ABC Reproduction Services Office, Reg. 1 111 Heritage Street Washington, DC 20000
9. ALLOTMENT AND EXPENSE ACCOUNTS CHARGEABLE 321.0.SOOP910.10.10.31.H40.923	10. SIGNATURE OF APPROVING OFFICER
11. FOR INFORMATION CALL *(name, telephone, and extension)* A. Toni Lewis	12. TITLE OF APPROVING OFFICER Executive Assistant

FORM OR STOCK NUMBER (13)	DESCRIPTION OF ARTICLES OR SERVICES (14)	QUAN-TITY (15)	UNIT (16)	UNIT PRICE (17)	AMOUNT (18)	QUANTITY RECEIVED (19)
	Paper, Xerographic, - Dry Toner In Accordance with CID A-A1912B (attached) Basis Weight - 17"X22" - 20/50 Color - White Size 8 1/2 x 11" Markings - IAW Fed. Std 123 Packing: Manufacturer's Standard Pack (MSP) Delivery is required no later than March 25, 1990 Hours of operation: 8:00a.m. to 4:30p.m. Contact John Green if there are any questiones SOURCES: No restriction	1000	ream	$6.52	65200	

20. DELIVER TO *(Give complete adress, including ZIP Code)*	TOTAL AMOUNT		65200
Fed. Training Center, ABC Reproduction Services, Reg 1	21. SHIPPED VIA FREIGHT PARCEL POST EXPRESS MAIL		
111 Heritage Street (Rm 333) Washington, DC 20000	22. FILLED BY	23. PACKED BY	24. CHECKED BY
Phone: John Green, Project Man. (202) 555-1222	25. BILL OF LANDING NUMBER		26. DATE SHIPPED

27. THE ABOVE ITEMS OR SERVICES WERE RECEIVED EXCEPT AS INDICATED ABOVE.

SIGNATURE	TITLE	DATE

NOTE: Acquisition of nonexpendable items are to be fully justified on face of requisition

TOPIC: KEY PROCUREMENT PLANNING CONCEPTS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 1-9	a. Specifications 1.3.2 • For sealed bidding, it is essential to have precise and accurate specifications as defined in FAR 10.001: "A description of the technical requirements for a material, product or service that includes the criteria for determining whether the requirements are met." • Specifications should state the government's actual minimum needs and be designed to promote full and open competition (FAOC). • There are commercial item descriptions (CIDs) written for less complex items, e.g., our xerographic paper which provides a brief, simple description of a commercial-type product.	
CM 1-3	• Have the students review the CID depicted at CM 1-3.	

A-A-1912B
11-9-83
SUPERSEDING
A-A1912A
2-15-83

COMMERCIAL ITEM DESCRIPTION

PAPER, COPYING, XEROGRAPHIC AND OFFSET PROCESS
(Dual Purpose; White and Colors)

The General Services Administration has authorized the use of this commercial item description.

Salient Characteristics:

- The paper shall conform to the physical properties of the Government Paper Specification Standard JCP 0-60 and perform satisfactorily in high speed and dry toner plain paper copies, xerographic and offset duplicating equipment. The paper shall have an average pick resistance on each side of not less than 10-A Dennison wax number when tested according to TAPPI Method T-459.

- Operating Performance: Operating performance shall be checked at atmospheric conditions of 70° F ± 10° and relative humidity of 50 percent ± 30 percent. Cut papers shall be checked on a Xerox® 9200 equipped with a 50 bin sorter, and there shall be no more than one paper caused jam per 5000 copies with all copies passing directly from copies into sorter bins allowing a minimum of 100 copies to accumulate in each sorter bin. In addition, 2000 copies shall be produced with second side copies passing directly from copier into sorter allowing a minimum of 100 copies (sheets) to accumulate in each sorter bin. For this test there will be no more than one paper caused jam per 2000 copies.

- Roll paper shall be checked on an IBM roll copier and there shall be no more than one paper caused jam per roll when copying this page as an original.

Regulatory requirements:

The offeror/contractor is encouraged to use recovered materials in accordance with Public Law 94-580 to the maximum extent practicable.

Preservation, packaging, packing, labeling, and marking:

Preservation, packaging, packing, labeling and marking shall be as specified in the contract or order.

TAPPI text methods are available from the Technical Association of the Pulp and Paper Industry, Technical Park/Atlanta, P.O. Box 105113, Atlanta, GA 30341.

When this commercial item description is used for procurement the commercial items certification clause must appear in the solicitation.

TOPIC:	KEY PROCUREMENT PLANNING CONCEPTS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 1-10	a. Source Location 1.3.3 • Explain that the CO must have many responsible sources of supplies and services that are permitted to compete for government contracts. This is the spirit of FAOC. • Developing a solicitation mailing list is a critical activity with regards to obtaining numerous sources.	
TR 1-11 CM 1-4	b. Acquisition Planning 1.3.4 • Advise the students that acquisition planning is done for purchases that exceed the small purchase threshold of $25,000. First time procurements may require extensive market research and analysis of acquisition histories. The complexity of the procurement will dictate the extent of the documentation required. • Have the students examine the acquisition plan found at CM 1-4. Point out that a good plan always helps to avoid problems further along into the procurement. And this is the best place to document all the decisions that will impact the procurement.	

ACQUISITION PLAN

Background	The Office of Contracts, FTC, received Purchase Request No. A001 from the Reproduction Services Office on December 2, 1989, covering 10,000 reams of xerographic paper in accordance with Commercial Item Description A-A1912B dated November 9, 1983. The estimated value of this procurement is $62,500.00.
Acquisition History	This procurement was assigned solicitation number TC-A001-89-SB and assigned to: Jane Smith, Contract Specialist, on December 3, 1989. During the last 12 months, four procurements covering xerographic paper were awarded. A review of the awards revealed: 1. Method of Procurement: Sealed Bidding 2. Type of Contract: Definite Qty., Def. Delivery (FFP) 3. Delivery Terms: 15 days, 1st 5,000 reams 30 days, excess up to 20,000 reams 4. Prices: 9/12/89 = $6.52 per ream 6/10/89 = $6.20 per ream 3/10/89 = $6.18 per ream 1/14/89 = $6.00 per ream All prices-FOB dest. All Quantities: 10,000 reams 5. Competition: Full and Open - No restrictions • 5-7 bids received. • Prices ranged within $1.00 per ream. • 4 small business bids received on all four procurements. • Small business awarded the last two procurements. 6. Problems: NONE An informal telephone market survey was conducted and revealed the following: 1. A substantial number of firms are able to supply paper which meets the specification. 2. Published catalog prices are based on substantial sales made to the general public.

	3. Prices change industry wide during February and July to reflect seasonal fluctuations in the timber industry. 4. All bidders' catalog prices are based on FOB origin. Freight prepaid upon request.
Socioeconomic Considerations	The past four procurements indicate that sufficient price competition exists between small businesses. Only one small business was located in a labor surplus area.
Recommended Acquisition Approach	Based on the foregoing, the following recommendations are made: 1. <u>Method of Procurement:</u> **Sealed Bidding** is recommended because: a. Commercial Item Description is not restrictive. b. Discussions are not necessary. c. Adequate price competition exists. d. There is sufficient amount of time to complete the procurement. 2. Type of Contract : **DQ, Definite Delivery, FFP** Since there is an apparent on-going need for a significant amount of xerographic paper, an indefinite quantity contract was considered. NSA's central office advised it was in the process of completing a nationwide procurement for all types of paper with an anticipated date of completion for June 1990. Since this proposed procurement covers only the period up to June 1990, a FFP, DQ contract is considered to be in the Government's best interest. 3. Evaluation and Award: Award shall be made to the low responsive, responsible bidder whose price is considered fair and reasonable. Only price and/or price-related factors will be considered.
Milestones	The proposed milestones for this procurement are: 1. Synopsis: CBD — Transmittal date: 12/9/89 (elec); Publicized date: 12/15/89 2. Issuance: IFB — Date: 12/30/89; Location: Office of Contracts, Reg. 1 3. Bid Opening: Date: 1/30/90 at 2:30 p.m.; Location: Office of Contracts, Reg. 1

	4. Bid Evaluation & Review: Completed NLT 2/28/90 5. Award: NLT 3/1/90 6. Delivery: 3/20/90 (1st 5,000 reams) 4/5/90 (Remaining 5,000 reams)
Contract Administration Plan	Mr. Green, Project Manager, (703)936-1212 will act as the inspection and acceptance official. If deliveries have not been received on due date(s), Mr. Green will contact this office. Form NSA No. 3606 shall be used for acceptance. One copy will be sent to Office of Finance, one copy to this office and one copy to be retained by Mr. Green. Original to be mailed to contractor.

TOPIC: KEY PROCUREMENT PLANNING CONCEPTS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 1-11	• Decisions ranging from type of specification to type of contract anticipated, combined with projecting milestones, assigning responsibilities and gaining approvals, comprise the key elements of acquisition planning. Proper prior planning provides sufficient lead time to ensure greater competition, eliminate many omissions and mistakes and identify those steps necessary to allow timely delivery from an economical and reliable source.	
CM 1-4	• Ask the students to comment on the acquisition plan provided at CM 1-4 through 1-6.	

TOPIC:	1.4 CONDITIONS THAT REQUIRE THE USE OF SEALED BIDDING
REF:	TR 1-12 through 1-14
OBJECTIVE:	Review the four conditions requiring the use of sealed bidding.
TIME:	9:15 a.m.—15 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 1-12	a. All students must understand the four required conditions for the use of sealed bidding.	
VG 1-1	**FOUR CONDITIONS FOR SOLICITING SEALED BIDS** • Adequate Time • Consider Price and Price Related Factors Only • Discussions Not Necessary • Expectation of Adequate Competition VG 1-1	
	b. There is no need for the students to take notes as all VGs are exhibited in the TR.	
TR 1-13	c. Display VG 1-1 and explain to the students that "Adequate Time" means a period of time that permits the solicitation, submission, and evaluation of sealed bids.	
	d. Consideration for price and price related factors will lead the acquisition team in the direction of the low, responsive, responsible bidder whose price is both fair and reasonable.	

TOPIC:	1.4	CONDITIONS THAT REQUIRE THE USE OF SEALED BIDDING (Cont.)

LESSON PLAN

Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
	e. Discussions are not required because a precise and clear description of the work to be performed is available (i.e., the CID located at CM 1-3).	
	f. Adequate competition is expected because we are buying a relatively simple item obtainable from numerous sources.	
TR 1-14	g. Acquisition planning is used to determine the absolute best method of procurement (i.e., sealed bidding).	
	h. Advise the students the purpose of this course is to train contract specialists to purchase supplies and services using the sealed bidding method of procurement.	
	i. Review the questions at the end of the vignette. It is now time for the students to have a break. (9:30 a.m.)	

LESSON 2

THE SOLICITATION

Primary Learning Objective

Primary Learning Objective #1

Condition: Given acquisition histories, market surveys, and the purchase request:

Action: Select contract type.

Standard: Correctly identifies the factors in pricing a procurement that are the most uncertain, determines the potential risks entailed by the uncertainties, and selects the type of contract that will:

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

Primary Learning Objective #2

Condition: Given the purchase request, technical evaluation criteria, method of procurement, and the selected type of contract:

Action: Select provisions and clauses for the Invitation For Bids (IFB) and assemble the IFB.

Standard: Final solicitation conforms to the Uniform Contract Format (where required). Incorporates all required clauses and solicitation provisions, gives prior decisions on method of procurement--type of contract, nature of goods or services being procured, et.al. Selects optional clauses or provisions and drafts new clauses or provisions that represent a net benefit in terms of improving the probability of attaining the Government's minimum needs on-time and at a fair and reasonable price.

Course Learning Objectives (CLO)

At the completion of this lesson the student will be able to:

2-1 Prepare an invitation for bids (IFB).

- Determine whether the Uniform Contract Format is required.
- Establish opening dates and times for a solicitation.
- Use the Uniform Contract Format in developing a solicitation.
- State the steps required when you deviate from a FAR clause.

2-2 Select contract types.

- Select Firm-Fixed Price, Definite Quantity & Definite Delivery (FFP).
- Select Fixed Price with Economic Price Adjustment (FP-EPA).
- Select Firm-Fixed Price, Indefinite-Delivery Contract (FFP-ID).

Estimated Time

5 hours

Method of Instruction

Lecture/Discussion with viewgraphs as visuals.
Student Exercise — Case Study on Preparing a Solicitation.
Interactive Review Questions.

Classroom Materials

Text/Reference — Chapter Two
Classroom Materials--Lesson Two

Instructor Materials

Text/Reference — Chapter Two
Instructor Guide — Lesson Two
Overhead Projector
Viewgraph slide for Lesson Two

Instructor References

FAR 16.203-2, 16.203-4(d)(1), 16.5, 14.2, 14.201-1, 14.201-1(a), 10.004(e), 46.2, 46.3, 12.1, 52.1, 52.3, 32.901, 32.908, 14.201-6(o) & (p)

TOPIC:	INTRODUCTION TO LESSON 2
REF:	TR 2-1 through 2-4
OBJECTIVE:	When you finish this introduction, your students must be able to: • Define IFB and state its purpose. • Describe the Uniform Contract Format (UCF).
TIME:	9:50 a.m.—10 minutes
METHOD:	Lecture

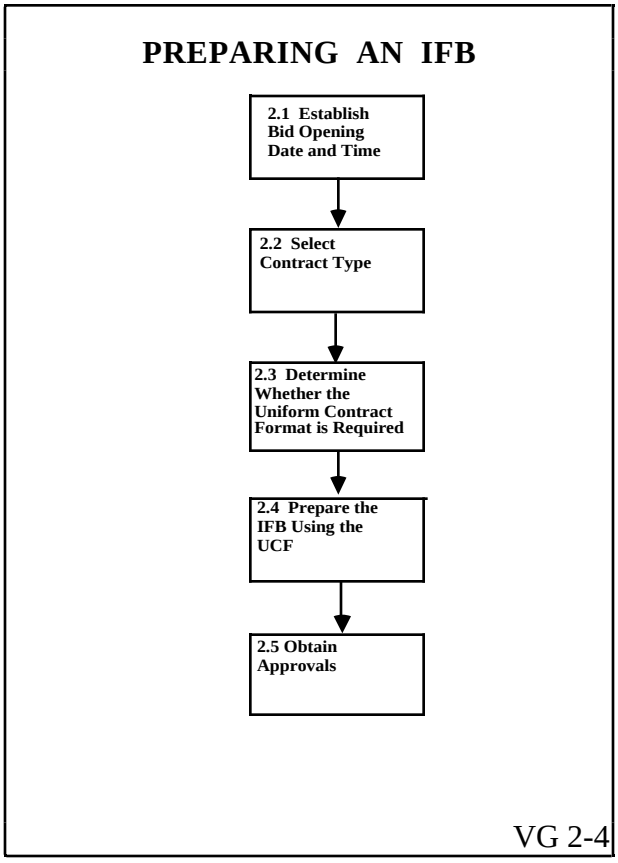
LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-1	a. Allow the students 5 minutes to review the vignette on page 2-1 of the TR.	
TR 2-3	b. Then, define the IFB and state its purpose, for example: An IFB is a procurement document, drafted by a government agency, containing an exact description of what the government wants to buy. Numerous solicitation provisions and contract clauses are also included to govern the contract when awarded.	
	c. Describe the UCF as follows: The UCF or Uniform Contract Format is a 4-part, 13-section format for the preparation of the IFB and final contract when awarded.	
TR 2-4	d. IFB and solicitation are synonymous terms. Preparing the IFB/solicitation is a step-by-step process which we will now examine in some detail.	

TOPIC: INTRODUCTION TO LESSON 2 (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
VG-2-4	e. Show VG 2-4 and remind the students that all VGs are presented as exhibits in the TR.	



TOPIC:	2.1 ETABLISH BID OPENING DATES AND TIMES
REFERENCE:	TR 2-5
OBJECTIVE:	When you finish this topic, your students must know the general rule for establishing bid opening dates and times.
TIME:	10:00 a.m.—5 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-5	a. Explain that, to maximize competition, the CO must allow sufficient time between the issuance of the IFB and the opening of bids. This time permits bidders to properly prepare and submit their bids. b. As a general rule, when contracting for supplies and services, the time for preparations and submissions of bids shall not be less than 30 days from the date of issuance of an IFB. c. The following factors should be considered when determining a bid time of 30 days or more: • Complexity of the requirement • Urgency • Subcontracting possibilities • Bidders' geographic locations • Receipt of pre-solicitation notices by bidders • Bidders' seasonal workload • Mailing times for the IFB and bidders' responses	

TOPIC:	2.2 through 2.2.3.3 SELECTING CONTRACT TYPE FOR SEALED BIDDING
REFERENCE:	TR 2-5 through 2-13
OBJECTIVE:	When you finish this topic, your students must know the two types of contracts used when contracting by Sealed Bidding.
TIME:	10:05 a.m.—5 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-5	a. The two types of contracts that may be used when contracting by sealed bidding are: • Firm-Fixed Price (FFP) • Fixed Price with Economic Price Adjustment (FP-EPA)	
TR 2-6	b. The FFP contract is not subject to adjustment. The price is fixed and the risk is placed solely on the contractor.	
TR 2-7	c. The FP-EPA contract is subject to adjustment upward or downward based upon occurrence of specified contingencies relative to instability in market prices, commodity prices or labor conditions. Risk is shared by the government and the contractor. The result may be increased competition.	
TR 2-8 to 2-13	d. Advise the students that FFP Indefinite Delivery contracts are covered in detail in the TR, pages 2-8 to 2-13. Students should review this material on their own time.	
	e. Explain to the students that the requirements for selecting the sealed bidding method of procurement also dictate the two types of contracts used, FFP and FP-EPA.	
	f. Use of these types of contracts results in less administrative burden for the Government.	

TOPIC:	2.3 UNIFORM CONTRACT FORMAT (UCF)
REFERENCE:	TR 2-14 through 2-15
OBJECTIVE:	When you finish this topic, your students will understand the solicitation format called the UCF.
TIME:	10:10 a.m. — 5 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-14	a. At this point in the sealed bidding method of procurement, we have a solid purchase request with acquisition plan and have selected the contract type, FFP or FP-EPA. It is now time to assemble the solicitation (IFB) utilizing the UCF. b. The UCF is a 4-part, 13-section document that, when complete, will: • Describe the requirement • Invite competitive, responsive bids • Present bidders with evaluation factors for award • Form the basis for final contract c. The IFB includes terms and conditions and all other information that will constitute the final contract.	
TR 2-15	d. Refer the students to the UCF exhibit 2-12 at TR 2-15 for review.	

TOPIC:	2.3.1 EXCEPTIONS TO USING THE UCF
REFERENCE:	TR 2-16
OBJECTIVE:	When you finish this topic, your students will recognize the exceptions to using the UCF.
TIME:	10:15 a.m.—5 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-16	a. The UCF is generally the correct format to use in preparing an IFB. Exceptions to the UCF include: • Construction • Shipbuilding • Special Contract Forms • Subsistence Items • New Simplified Format b. The UCF is not used to buy items off any Federal Supply Schedule. Supplies and services listed on schedules are already backed by Government contracts. c. The UCF is not used in conjunction with small purchase procedures when the dollar value is less than $25,000.	
TR 2-16	d. Refer the students to the UCF "exceptions" exhibit 2-13 at TR 2-16 for review. e. Lastly, remind the students we have selected the sealed bidding method of procurement in the "open" market because our requirement cannot be satisfied from any known Government source of supply.	

TOPIC:	2.4 through 2.4.1.8 PREPARE THE IFB USING THE UCF, PART I—THE SCHEDULE, SECTIONS A-H
REFERENCE:	TR 2-16 through 2-25
OBJECTIVE:	When you finish this topic, your students will be familiar with the UCF Part I, Sections A-H, Key Elements.
TIME:	10:20 a.m.—20 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-16	a. 2.4.1 Part I—The Schedule; 2.4.1.1 Section A--Solicitation/Contract Form SF 33. Generally used as the first page of the IFB and constitutes Section A.	
TR 2-17	• The SF 33 provides basic information relative to the IFB and serves as the award document when signed by the CO. • The bidder is not bound to use the SF 33 when submitting a bid, but the letter or form used by the bidder must contain all required information, including acceptance of the terms and conditions of the IFB.	
TR 2-18	• The purchase request (PR) and the contracting office are the main sources of information for completion of Section A. • Direct the students' attention to Exhibit 2-14 on TR 2-18 for an example of a completed SF 33.	
TR 2-19	2.4.1.2 Section B—Supplies or Services and Prices • Briefly describes the supplies or services to be acquired. • Provides the IFB location for bidders to fill in their priced offers. • Contains item/part number, unit type/price, NSNs, etc. • Explain use of Optional Form (OF) 336—Continuation Sheet as used to supplement standard forms.	

TOPIC: UCF, PART I—THE SCHEDULE (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
	• Direct students' attention to Exhibit 2-15 at TR 2-20. OF 336.	
TR 2-21	2.4.1.3 Section C—Description/Specifications • Section C supplements in some detail the brief description in Section B. • For example, commercial item descriptions (CIDs) provide clear and concise descriptions/specifications of supplies/services outlined in Section B. • Full and open competition (FAOC) may be enhanced by the degree of detail and clarity expressed in Section C. • The CO generally prepares this section based on detail information contained in the PR. • Explain to the students the responsibility of the requiring agency to state the requirement clearly and precisely. A good effort here in the early stages of procurement may save much time and money in the long run. • For examples of descriptions and specifications, define "brand name or equal" and point out the CID included in the Classroom Materials (CM) page 1-3.	

TOPIC:	UCF, PART I—THE SCHEDULE (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-22	2.4.1.4 Section D—Packaging and Marking • Dependent upon FAR and Agency requirements. • May affect contract bid prices. • Examples include packaging (paper carton or metal container), preservation (water tight), packing (nesting for sensitive/fragile materials), marking (handle with care, etc.). • FAR requirements may be stated in full text or by reference.	
TR 2-23	2.4.1.5 Section E—Inspection and Acceptance • This section describes quality and reliability requirements as an integral part of specifications and their impact on bid prices. • Is the Government getting what is being paid for? • Is the work acceptable? Does it meet the required standards per the specifications? • Poor work is rejected. Payment is made only for accepted work! • CO must provide all applicable clauses by reference or in full text. • Basic inspection and acceptance criteria are most often included in the requiring activity's PR and may or may not reflect FAR and/or agency requirements. • Quality assurance (QA) is a term often associated with Section E.	

TOPIC: UCF, PART I—THE SCHEDULE (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-24	2.4.1.6 Section F—Deliveries or Performance • This section sets the date(s) for delivery of supplies or the period of performance for services. • The acceptability of a contractor's performance is measured against time as well as quality and reliability and adherence to contract specifications. • Items included under this section are: - Time and method for delivery or performance - Place of performance - Alternate delivery • Examples of clauses used may include: - Liquidated damages - Transportation clauses (i.e., F.O.B. origin) 2.4.1.7 Section G—Contract Administration Data • This section identifies the name and location of the Government activity that will administer the awarded contract and make payments under the contract. • Tells the contractor where to send invoices and other contract administration data. • May include FAR and agency clauses (i.e., Prompt Payment Act). • Remind the students that the contract administration burden is minimal for the Government with FFP and FP-EPA type contracts.	

TOPIC: UCF, PART I—THE SCHEDULE (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-25	2.4.1.8 Section H—Special Contract Requirements • This section provides a special location for unusual requirements that may occur on a contract-by-contract basis (e.g., special security requirements applicable to classified materials). • This section generally includes anything that is not covered under any other section of the UCF. It may or may not be used! When it is not used, "not applicable" is written under the section title. • Section H is sometimes used to provide contractor experience qualifications or a listing of specialized reference documents.	

TOPIC:	2.4.2 UCF, PART II—CONTRACT CLAUSES; 2.4.2.1 SECTION I—CONTRACT CLAUSES
REFERENCE:	TR 2-26 through 2-27
OBJECTIVE:	When you finish this topic, your students will be familiar with the UCF Part II—Contract Clauses, Section I.
TIME:	10:40 a.m.—5 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-26	b. 2.4.2 Part II—Contract Clauses 2.4.2.1 Section I—Contract Clauses, FAR 52.1 • Lists all applicable IFB clauses in one section. • Section I of the IFB also becomes Section I of the contract when signed by the CO. • Clauses are included either in full text or by reference. • Some examples of clauses typically included in Section I are: - Walsh-Healey Public Contracts Act - Prompt Payment Act - Affirmative Action for Handicapped Workers Act - Officials Not To Benefit - Invoice Requirements - Gratuities - Covenant Against Contingent Fees - Method of Payment	
	• Indicate to the students that FAR Parts 1 through 51 contain prescriptions for the use of clauses and that their own agency FAR supplements may contain additional prescriptions.	
TR 2-27	• FAR 52.3 provides a series of matrices that list clauses for each principal type of contract. It is a cross reference to FAR Parts 1 through 51. FAR 52.1 contains instructions for the use of clauses.	

TOPIC:	2.4.2 UCF, PART II—CONTRACT CLAUSES; 2.4.2.1 SECTION I—CONTRACT CLAUSES (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-27	• Certain clauses such as "Prompt Payment" and "Affirmative Action for Handicapped Workers" will appear in all IFBs. The appropriate matrix shows if the clause is to be listed in full text or by reference.	

TOPIC:	2.4.3 UCF, PART III—LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS, SECTION J
REFERENCE:	TR 2-28
OBJECTIVE:	When you finish this topic, your students will be familiar with the purpose of UCF Part III, Section J.
TIME:	10:45 a.m.—2 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-28	c. 2.4.3 Part III—List of Documents, Exhibits, and Other Attachments 2.4.3.1 Section J—List of Documents, Exhibits, and Other Attachments • Section J provides a central location for special information or requirements not appropriate for including in other sections. • Attachments under this section are fully annotated with title, date, and number of pages. • Section J documents generally pertain to "conditions" of performance rather than specifications applicable to the work required or product produced. • This section is a pick-up or catch-all for all other UCF sections.	

TOPIC:	2.4.4 PART IV—REPRESENTATIONS AND INSTRUCTIONS, SECTIONS K THROUGH M
REFERENCE:	TR 2-28 through 2-31
OBJECTIVE:	When you finish this topic, your students will be familiar with the UCF Part IV—Sections K-M, Key Elements.
TIME:	10:47 a.m.—7 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-28	d. 2.4.4 Part IV—Representations and Instructions 2.4.4.1 Section K—Representations, Certifications, and Other Statements of Bidders. • Incorporated into resultant contract by reference only—not attached. • Determines eligibility for award (e.g., is bidder a small business? is bidder a regular dealer or manufacturer?) • Provisions generally provided in full text. • Section K items may very well affect contract award. • Correct representations and certifications must be presented by bidder in order to compete for contract award.	
TR 2-29	2.4.4.2 Section L—Instructions, Conditions and Notices to Bidders. • Describes special requirements pertaining to: - Bid preparation items (e.g., submission of bonds, bid samples, etc.) - Qualification under "special standards of responsibility" - Solicitation provisions that impact how the invitation and award process is conducted (e.g., the handling of late bids and the award of less than all items).	

TOPIC:	2.4.4 PART IV—REPRESENTATIONS AND INSTRUCTIONS, SECTIONS K THROUGH M (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-29	• Point out to the students that Section L items may affect contract award but they are not part of the final contract. Examples include: - Provisions for bid submissions - Licensing requirements - Bond guarantees - Performance or payment bonds - Bid samples and descriptive literature (see below) - Special qualifications standards	
TR 2-30	• Bid samples: - Generally not required, product should be adequately described in specifications. - Bid samples submitted become part of the public disclosure at the time of bid opening.	
TR 2-31	• Descriptive literature: - Bidders submit only if clearly requested in the IFB. - Should contain information that simply determines the acceptability of the product. - Bidder should not submit restrictive literature unless authorized (e.g., trade secrets).	

TOPIC:	2.4.4 PART IV—REPRESENTATIONS AND INSTRUCTIONS, SECTIONS K THROUGH M (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-31	2.4.4.3 Section M—Evaluation Factors for Award • This section tells prospective bidders how bids will be evaluated. - If price-related factors are to be used to evaluate, they must be disclosed in the IFB (e.g., transportation costs). - Evaluation factors are applied to determine the actual low bid. - Only evaluation factors listed in the IFB may be used to determine the low bid. (More detailed information on price-related factors will be discussed in Lesson 5.) • Section M items may affect the award of the contract but they do not become a physical part of the contract. • The origin of Section M items is the requiring activity's purchase request and the CO's analysis of the procurement as documented in the acquisition plan.	

TOPIC: 2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS

REFERENCE: TR 2-32 through 2-39

OBJECTIVE: When you finish this topic, your students will understand the difference between contract clauses and solicitation provisions and how to select correct clauses and provisions for the IFB and final contract.

TIME: 10:54 a.m.—26 minutes

METHOD: Lecture, Demonstration, and Student Participation

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-32	a. 2.4.5.1 Difference Between Contract Clauses and Solicitation Provisions • Contract clauses apply to the awarded contract. • Solicitation provisions apply to the IFB "instructions to bidders" as contained in Part IV of the UCF. • Explain to the students that both contract clauses and solicitation provisions are included in the IFB. - Part IV of the UCF is not physically included in the final contract but is kept on file by the CO. - Part IV, Section K is incorporated in the resultant contract by reference only since it applies to bidder representations and certifications.	
CM Mini-Clause Manual p. 53	b. 2.4.5.2 Select the Correct Provisions and Clauses to be Included in an IFB • FAR, Subpart 52.3 -- Provision and Clause Matrix. - Assists in selection of appropriate provisions and clauses as prescribed in FAR text for use with principle type and/or purpose of contract. - Teach the students to use the matrix key (e.g., IBR = Incorporation By Reference; R, A, and O = Required, Required When Applicable, and Optional, respectively).	

TOPIC:	2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
CM Mini-Clause Manual p. 53-54 TR 2-33	- Use of the matrix simplifies the selection of contract clauses and solicitation provisions. - Point out to the students that, in studying the matrix, it is clear that some provisions and clauses are required in all IFBs, while others are optional or required when applicable because of requirements in the purchase request or acquisition plan. • There are also agency clause manuals or agency supplements to the FAR which help identify and clarify clause and provision selections (e.g., generic ABC clause manual matrix located in the classroom materials, p. 55). • Agency publications relative to the FAR generally cover those specific areas that are peculiar to the agency's operations, functions, and requirements.	
TR 2-34	c. 2.4.5.3 Determine When a Contract Clause is Applicable • Clauses included in an IFB are required by law and/or regulation. • The CO has overall responsibility for the selection of correct clauses to be included in Section I of the UCF for both the IFB and the resultant contract.	

TOPIC:	2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-34	d. 2.4.5.4 Selecting Required and Required-When-Applicable Clauses • There are certain clauses that must be included by reference in all IFBs for firm-fixed price supply or service contracts. - 52.202-01, Definitions - 52.203-05, Covenant Against Contingent Fees - 52.203-06, Restriction on Subcontractor Sales to the Government - 52.233-03, Protest After Award - 52.243-01, Changes-- Fixed Price • Required-When-Applicable clauses may be included in either full text or by reference depending on specific IFB requirements. - A good example of a "Required-When-Applicable" clause is 52.214-26--Audit Sealed Bidding. - This clause becomes necessary when the contract value exceeds $100K, the method of procurement is sealed bidding and the contract is to be FFP.	
TR 2-35	e. 2.4.5.5 Clauses Used in Special Situations • Ensure the use of clauses that include sealed bidding by name (e.g., 52.214-29--Subcontractor Cost or Pricing Data-Modifications-Sealed Bidding).	

TOPIC:	2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-35	f. 2.4.5.6 Alternates to FAR Clauses • Some contract clauses have alternates to fit different sets of circumstances (e.g., FAR 52.209-3 on First Article Approval-Contractor Testing, has two alternates). • Select the appropriate alternate to fit those particular circumstances as described in the IFB and acquisition plan. • Be able to defend your selection of FAR clauses and alternates. • Normally, within agency contracting activities, there are senior contract personnel who will assist less experienced contract specialists with FAR clause and alternate clause selections.	
TR 2-36	g. 2.4.5.7 Contract Clauses and Provisions Incorporated in Full Text or By Reference • When a contract clause or solicitation provision is incorporated in full text, the entire item is stated in the IFB. • When a contract clause or solicitation provision is incorporated by reference, the FAR number of that clause or provision appears in the IFB.	

TOPIC:	2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
	• The FAR Provision and Clause Matrix provides guidance as to which clauses and provisions are to be incorporated in full text or by reference. • Copies of full text clauses and provisions referenced in the IFB may be provided to prospective bidders upon request.	
TR 2-36	h. 2.4.5.8 Complete Contract Clauses	
	• The CO completes as appropriate any "blanks" within a contract clause before the IFB is issued.	
CM Mini-Clause Manual p. 37	• The clause at FAR 52.212-9—Variation in Quantity serves as a good example of a clause requiring completion prior to issuance.	
TR 2-36	i. 2.4.5.9 Selecting Applicable IFB Solicitation Provisions	
	• Always required are: - FAR 52.214-1—Solicitation Definitions-Sealed Bidding (By Reference) - FAR 52.214-2—Type of Business Organization-Sealed Bidding (Full Text) - FAR 52.214-3—Acknowledgment of Amendments to IFBs (By Reference)	

TOPIC:	2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
	- FAR 52.214-4—False Statements in Bids (By Reference) - FAR 52.232-2—Service of Protests (Full Text)	
TR 2-37	• Required-When-Applicable are: - FAR 52.214-14—Place of Performance-Sealed Bidding (Full Text--Not applicable when Government specifies the place of performance.) - FAR 52.214-16—Minimum Bid Acceptance Period (Full Text--Used only when the CO selects a period other than the normal 60 days.) - FAR 52.207-4—Economic Purchase Quantity-Supplies (Full Text--Bidder has an opportunity to state an opinion on economic advantages or disadvantages of solicitation quantities as requested and to recommend a more economic purchase quantity.)	
TR 2-38	• Direct the students' attention to Exhibit 2-17 on TR 2-38. - Examples of clauses and provisions by FAR number, title and incorporation in full text or by reference.	

TOPIC:	2.4.5 SELECT CONTRACT CLAUSES AND SOLICITATION PROVISIONS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 2-39	j. 2.4.5.10 Deviations from FAR Clauses or Provisions • Defined as acquisition actions of any kind that are inconsistent with the FAR. • Deviations from the FAR are granted as necessary to meet the specific needs and requirements of each Government agency. • Agency clause manuals are essentially "approved" deviations to the FAR. • The uniqueness of a particular procurement may require a FAR deviation. Also, recommend the specific deviation to be granted. • Indiscriminate requests for deviations should be discouraged. • Research, development, testing and evaluation should not be stifled because such action might require a FAR deviation. • FAR deviations are not procurement shortcuts but serve to facilitate the acquisition process under difficult or unusual circumstances.	

TOPIC:	2.4.6 THE SIMPLIFIED CONTRACT FORMAT
REFERENCE:	TR 2-39 through 2-42
OBJECTIVE:	When you finish this topic, your students will understand when to use the Simplified Contract Format.
TIME:	11:20 a.m.—10 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-39	a. The Simplified Contract Format may be used in preparing FFP or FP-EPA contracts. • This format allows some degree of flexibility for solicitation/contract preparation.	
TR 2-40	• SF 1447, Solicitation/Contract is used for the first page. (Exhibit 2-18 at TR 2-41) - The contract schedule for each line item requirement is completed by the bidder.	
TR 2-41	• Include only those clauses essential to the acquisition and required by regulation. • List of documents and attachments if needed. • Representations and Instructions (Provisions) - Representations and certifications - Instructions, conditions and notices - Evaluation factors for award b. Upon award, the "provisions" need not be included in the resultant contract but by reference only.	

TOPIC:	ASSIGN CASE STUDY 2-3—BUILDING THE SOLICITATION
REFERENCE:	CM 2-8 through 2-15
OBJECTIVE:	When you finish this topic, your students will understand the procedure for developing the "terms and conditions" of a solicitation/contract by selecting the applicable contract clauses and solicitation provisions.
TIME:	11:20 a.m.—10 minutes
METHOD:	Case Study; Group Exercise

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 2-8	a. Follow the instructions for conducting Case Study 2-3.	
	b. Assign student groups for the case study and then break the class for lunch.	

Start Time: 12:30 p.m.
Reference: CM 2-8
Break Time: 2:00 p.m.

CASE STUDY 2-3
BUILDING A SOLICITATION

DIVIDE THE CLASS INTO 4-5 GROUPS. THEY MUST USE THE PURCHASE REQUEST AND ACQUISITION PLAN FROM LESSON 1 TO PERFORM THIS EXERCISE.

(Note: a complete solicitation will not be developed in this class.)

Each group shall:

1. Use the mini clause manuals provided in this lesson for clause selection. The "Excerpts from the FAR" and the agency clause manual and the text reference (Chapter 2) are the only resource materials to be used in this exercise. DO NOT include clauses or provisions that you may have used on-the-job. Each group must complete all sections of the UCF.

2. Use the forms in this case study for completing the exercise.
   - For Section A use the SF 33
   - For Section B use the OF 336
   - For other sections use the section charts beginning on CM 2-11.

All applicable provisions/clauses must be identified on the charts. Be prepared to defend your selections.

A. Provisions/clauses incorporated by reference should be listed by:
   - Provision/Clause Number
   - Title
   - FAR reference, if applicable (e.g., prescriptions)

B. Provisions/clauses to be included by full text should be listed by:
   - Provision/Clause Number
   - Title
   - FAR reference, if applicable
   - Any fill in information to be included in the solicitation

C. Provisions/Clauses identified for each section that are not to be included should be listed and defended as to why not.

3. At 2:20 call upon the groups to report their findings. Reports will be in alphabetical order of the UCF sections. Randomly select a group for each section. Allow the other groups to comment on selections made.

SOLICITATION, OFFER AND AWARD

1. This contract is a rated order under DPAS (15 CFR 360) ▶ Rating DO-C9 | Page 1 of 24

2. Contract No.	3. Solicitation No.	4. Type of Solicitation	5. Date Issued	6. Requisition/Purchase No.
	DABT59-8X-B-0001	☐ Sealed Bid (IFB) ☐ Negotiated (RFP)	5/18/90	678

7. Issued By	Code	8. Address Offer To (If other than Item 7)
Contracting Division Army Depot New Cumberland, PA 17070		SAME

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and 0 copies for furnishing the supplies or services in the Schedule will be received at the place speci-fied in Item 8, or if hand-carried, in the depository located in Bldg 1, Room 6 until 9:35 AM time 8/8/90 date.

CAUTION--LATE Submissions, Modifications, and Withdrawals: See Section L. Provision No. 52.214-7 or 52.215-10. All offers are subject to all terms and conditions contained in this solicitation.

10. For Information Call: ▶	A. Name	B. Telephone No. (Area code) (NO COLLECT CALLS)
	Robert E. Jones	202-922-7771

11. Table of Contents

X	SEC.	DESCRIPTION	PAGE(S)	X	SEC.	DESCRIPTION	PAGE(S)
		PART I - The Schedule				**PART II - Contract Clauses**	
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	3
X	B	Supplies or Services and Prices/Costs	1			**PART III - List of Documents, Exhibits and other Attachments**	
X	C	Desc./Specs/Work Statement CID	1		J	List of Attachments	
X	D	Packaging and Marking	1			**PART IV - Representations and Instructions**	
X	E	Inspection and Acceptance	1	X	K	Representations, Certifications and Other Statements of Offerors	8
X	F	Deliveries or Performance	2				
	G	Contract Administration Data		X	L	Instructions., Conditions., and Notices	6
	H	Special Contract Requirements		X	M	Evaluation Factors for Award	2

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16

12. In compliance with the above, the undersigned agrees, if this offer is accepted within ___ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. Discount for Prompt Payment (See Section I, Clause No. 52.232-8 ▶	10 Calendar Days %	20 Calendar Days %	30 Calendar Days %	Calendar Days %
14. Acknowledgment of Amendments (The offeror acknowledges receipt of amendments to the Solicitation for offerors and related documents numbered and dated)	Amendment No. Amendment No.	Date Date	Amendment No. Amendment No.	Date Date

15A. Name and Address of Offeror	Code	Facility	16. Name and Title of Person Authorized to sign Offer (Type or Print)

15B. Telephone No. (Include area code)	☐ 15C. Check if Remittance address is different from above. Enter such address in schedule.	17. Signature	18. Offer Date

AWARD (To be completed by Government)

19. Accepted as to items numbered	20. Amount	21. Accounting and Appropriation

22. Authority for using other than FAOC	23. Submit invoices to address shown in	Item
☐ 10 USC 2340(c) ☐ 41 USC 253(c)	(4 copies unless otherwise specified) ▶	

24. Administered by (If other than Item 7)	25. Payment will be made by
Code	Code

26. Name of Contracting Officer	27. United States of America	28. Award Date
	(Signature of Contracting Officer)	

IMPORTANT -- Award will be made on this form, or on SF 26, or by other authorized official written notice.

NSN 7540-01-152-8064 **33-132** **Standard Form 33 (REV. 4-85)**
Previous Edition Not Usable **Prescribed by GSA**
FAR (48 CFR) 53.214(c)

CONTINUATION SHEET	Reference No. of Document Being Continued TC-A001-89-SB	Page 2 of

Name of Offeror or Contractor

ITEM NO.	"SUPPLIES/SERVICES"	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Paper, Xerographic - Dry Toner In accordance with CID-A-A1912B Ref. CM 1-3 Basis Weight: 17" x 22" - 20/50 Color - White Size: 8 1/2" x 11" Deliver to: Federal Training Center, ABC Reproduction Center, Reg 1 111 Heritage Street (Rm 333) Washington DC 20000	10,000	Rms	$_____	$_____

SECTION D
PACKAGING AND MARKING

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
	ABC-210-2 - Marking
	ABC-210-1 - Preservation, Packaging, & Packing Reason: There is no conflict with CID requirement. These clauses may be included in the solicitation even though CID states this information will go on purchase order.

Provisions/Clauses Not Included and Why	Other
ABC-210-3 Preservation, Packing, & Packing Reason: Deliveries are to a domestic location - not export	**Have students look at the Commercial Item Description!!! CM 1-3**

SECTION E
INSPECTION AND ACCEPTANCE

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.246-2 Inspection of Supplies -Fixed Price	ABC-300-1 Inspection Reason: Inspection shall be at destination
52.246-16 Responsibility for Supplies Reason: Both clauses are required for sealed bidding and neither clause requires completion by the Government or bidder.	ABC-290-1 Delivery Hours Reason: Contractor needs to know when deliveries can be made
	ABC-290-2 Delivery - FOB Destination Reason: Prices are being solicited on a destination basis.
	Note: If the group elects to allow both origin and destination pricing, this clause would not be included.

Provisions/Clauses Not Included and Why	Other
52.246-2 ALT I - This is not a FP Incentive Cont.	Direct the student's attention to FAR 46.2 for additional information on Contract Quality Requirements
52.246-2 ALT II - Not FP Retroactive Contract	
52. 246-4 - For Services Only	

SECTION F
DELIVERIES OR PERFORMANCE

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
	52.212-1 Time of Delivery Alt III Reason: Milestones in Acquisition Plan show time is allowed for contractor to receive notice & still make delivery on time. Generally, using a "within days after the date of receipt of a written notice of award" will result in lower prices since the bidder has less of a risk for meeting the delivery schedule.

Provisions/Clauses Not Included and Why	Other
52.212-9 Variation in Qty Reason: Market Survey does not indicate any problems with awarding quantities proposed.	**CO SHOULD USE SOUND JUDGMENT IN SELECTING TIME OF DELIVERY CLAUSE. THE MAJOR CONCERN IS SELECTING THE BEST CLAUSE THAT GETS THE SUPPLIES TO THE USER ON TIME!!!**
52.207-4 Economic Purchase Quantity provision should be considered (Section K).	
52.212-1 Time of Delivery ALT I & II Reason: Do not necessarily need to make an assumption for contract award date.	
52.212-2 Government needs to have more control over delivery schedule in order to avoid a crisis.	

SECTION G
CONTRACT ADMINISTRATION DATA

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
	ABC-900-1 Contact for Contract Administration Reason: Nice to know who to contact after the award -- The same person before an award is not necessarily the same person to contact after award.

Provisions/Clauses Not Included and Why	Other
	Some agencies may include their contact point in this section.

UCF PART II
SECTION I
CONTRACT CLAUSES

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.202-1 - Definitions Required for Sealed Bidding	**ATHOUGH CLAUSE 52.219-6 (TOTAL SMALL BUSINESS SET-ASIDE) MAY BE INCLUDED BY REFERENCE, INCLUDING THIS CLAUSE IN FULL TEXT MAY SAVE PROBLEMS LATER. NOT ALL BIDDERS CHECK OFF THE CLAUSES INCORPORATED BY REFERENCE.**
52.203-1 - Officials Not to Benefit - Required	
52.210-5 - New Materials-Recycled is considered NEW	
52.219-6 - Total Small Business Set Aside - See AP*	
52.232-1 - Payments (Applicable for Sealed Bidding)	
52.243-1 - Changes, Fixed Price - This is a FP Cont.	

Provisions/Clauses Not Included and Why	Other
52.210-7 - Used Material-recycled is considered NEW	ABC-232-70 - Payments by Electronic Transfer Although the clause manual states only use when so directed and the PR/AP do not authorize, you might consider checking this out with Office of Finance.
52.213-1 - Fast Payment - Applicable to Small Purch.	
52.216-6 and 52.217-7 - Option-Not applicable since this procurement is a one-time only buy & supplies are on open market	
52.219-7 - partial set-aside - Only one line item and sufficient sources exist for total set-aside	

*** AP = Acquisition Plan**

UCF PART III
SECTION J
LIST OF ATTACHMENTS

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
"None"	"None"

Provisions/Clauses Not Included and Why	Other
"None"	N/A

UCF PART IV
SECTION K
REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
"None"	52.219-1 - Small Business Concern Rep. Reason: Bidders need to fill in to certify they are small since total set-aside is used. (AP)
	52.207-4 - Economic Purchase Quantity Required unless it has been determined the unit of measure is considered the most economical for the marketplace.

Provisions/Clauses Not Included and Why	Other
52.214-16 - Minimum Bid Acceptance (no need identified) Supplies are available on open market - no problems with award are anticipated.	N/A
53.215-19 - Period of Acceptance of Offer Use only if SF 33 is not being issued with solicitation.	
52.223-4 - Recovered Material Certification - CID "Encourages" use of this material. Clause "requires" use.	

SECTION L
INSTRUCTIONS, CONDITIONS, AND NOTICES

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.214-5 - Submission of Bids - Required for SB	ABC-211-1 - Commercial Item Certificate Reason: Required since CID used as specification.
52.214-7 - Late Submission, etc. - Required for SB	
52.214-10 - Contract Award - Sealed Bidding	
	ABC-490-1 - Unsolicited Descriptive Literature, etc. Reason: Required since descriptive literature is not required.
	ABC-59-1 - Award Reason: Nice to know information for bidder. Agency clause manual implies this clause should be used.

Provisions/Clauses Not Included and Why	Other
52.214-13 - Telegraphic Bids - No, sufficient time exists	N/A
52.214-21 - Descriptive Literature - Not needed for evaluation. Item is commercially available from multiple sources.	
52.215-16 - Contract Award - This is not negotiated.	
52.247-45 - FOB Origin and/or FOB Dest. Eval. Reason: Not requesting origin prices, however, if student gives adequate justification for using origin prices - then allow as full text.	
52.216-1 - Type of Contract - Use only with RFPs & RFQs.	

SECTION M
EVALUATION FACTORS FOR AWARD

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.214-22 - Evaluation of Bids for Multiple Awards Reason: Since total Small Business Set-Aside, the situation may exist that the low bidder can only offer less than the entire 10,000 reams. The award clause (52.214-10) allows for award of any quantity.	"None"

Provisions/Clauses Not Included and Why	Other
52.247-47 - Evaluation FOB Origin (Selected Dest.)	N/A
52.247-50 - No evaluation of transportation cost Reason: Prices bid FOB destination have been selected. Clauses relating to Origin are not applicable.	
Note: If student justifies FOB Origin then 52.247-47 should be included by reference.	
ABC-214-3 - All or None Offers Reason: Only one line item.	

TOPIC: 2.5 OBTAIN APPROVALS

REFERENCE: TR 2-43

OBJECTIVE: When you finish this topic, your students will understand that certain approvals may be required before the IFB can be issued.

TIME: 3:20 p.m.—10 minutes

METHOD: Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 2-43	a. Various approvals may be required before issuing the IFB to include: • The requiring activity • Legal • Agency Head or senior procurement official • Technical b. The CO is responsible for final review of the solicitation. • The CO corrects any discrepancies or ambiguities that would otherwise restrict competition or result in nonresponsive bids. • Particular attention is paid to "terms and conditions." • Any "fill in the blanks" are completed by the CO at this time. c. The extent of IFB review is often determined by the dollar threshold involved. d. Considerations for total or partial small business set-asides must also be taken into account.	

TOPIC:	INTERACTIVE REVIEW QUESTIONS
REFERENCE:	CM 2-16
OBJECTIVE:	Provides the students a vehicle for reviewing the material just covered.
TIME:	Time Permitting
METHOD:	Group preparation and presentation

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 2-16	a. Allow the students to work individually or in groups to answer the questions.	
	b. Review answers with the students and respond to any questions that may arise.	
	c. End of day one, but before dismissing the class, assign chapters three, four, and five as homework.	

INTERACTIVE REVIEW QUESTIONS

If time permits use the following questions to review the material in Lesson 2.

TR 2-16 1. How do you determine whether the Uniform Contract Format is required?

The UCF is used for most IFBs and contracts except those types of acquisitions that involve:

- Construction
- Shipbuilding and related activities
- Supplies or services that require special contract forms
- Subsistence items

TR 2-5 2. What factors do you consider in establishing the opening dates and times for a solicitation?

Consider the following factors:

- Complexity of the requirement
- Urgency of the Government's requirement
- Subcontracting possibilities
- Geographic location of bidders
- Were pre-solicitation notices sent to prospective bidders?
- Seasonal workload requirements that may impact on a bidder's time for preparation of a bid
- Mailing time for the transmittal of both the invitation and the bid

TR 2-39 3. What is the procedure for deviating from a FAR clause?

The contract specialist should recommend to the CO that a deviation be granted, if he/she feels that the proposed procurement would be improved by deviating from an existing clause, provision, policy, or procedure. Conforming with the FAR gives the Government's contracting process discipline, uniformity, and consistency. However, sometimes the process might be enhanced by deviating from a FAR requirement. Handle any deviation from the FAR in accordance with the procedures prescribed in the FAR and in your agency's supplement to the FAR.

TR 2-5 4. Name the contract types used in sealed bidding?

- Firm-Fixed Price
- Fixed Price with Economic Price Adjustment

TR 2-8 5. What is meant by an indefinite-delivery contract?

Indefinite-delivery contracts provide for firm-fixed prices or fixed prices with economic price adjustments. They are designed for use when the times or quantities of future deliveries are unknown at the time of the contract award. There are three types of indefinite-delivery contracts: Definite-quantity, Requirements, and Indefinite-Quantity.

LESSON 3

PUBLICIZING THE IFB AND PREAWARD INQUIRIES

Primary Learning Objective

Primary Objective #1:

Condition: Given a proposed solicitation.

Action: Select and implement a method or methods of publicizing the proposed procurements.

Standard: Market notified to extent required and necessary for obtaining competition for prime contracts and to offer subcontracting opportunities to small businesses.

Primary Objective #2:

Condition: Given a written or oral inquiry on a solicitation, copies of bids and proposals received in response to the solicitation, and a copy of the solicitation.

Action: Respond to inquiries concerning solicitations.

Standard: No information disclosed that would give one offeror a competitive edge over another. After receipt of proposals, does not disclose any information on the content of proposals from other offerors. Answers to inquiries are correct and complete. All files are fully documented.

Course Learning Objectives (CLO)

At the completion of this lesson the student will be able to:

3-1 Publicize an IFB/Award

- Determine the need for synopsizing an IFB/Award.
- Identify whether an exception to the synopsis requirement applies.
- Prepare a synopsis.
- Forward a synopsis.

3-2 Respond to verbal inquiries.

- State and describe information about the procurement that may not be divulged.
- State what to do in responding to a verbal inquiry.

Estimated Time	$2\,{}^{1}/_{2}$ Hours
Method of Instruction	Lecture/Discussion with viewgraphs as visuals. Interactive viewgraphs Student Exercise—Case Study Time Requirements Student Exercise—Case Study Roleplay Interactive Review Questions
Student Materials	Text/Reference—Chapter Three Classroom Materials—Lesson Three (Case Studies)
Instructor Materials	Text/Reference—Chapter Three Instructor Guide—Lesson Three Overhead Projector and Overhead Markers Viewgraph slides for Lesson Three
Instructor References	FAR 5.002, 5.101, 5.101(a)&(b), 5.101(a)(2), 5.102, 5.102(a)(4), 5.201, 5.201(b), 5.205(d), 5.202, 5.203(a)&(b)&(c)&(d)&(f), 5.207, 5.207(e) &(g), 5.3, 5.5, 14.211(a)&(b), 14.205-4(c), 24.2

TOPIC: INTRODUCTION TO LESSON 3

REF: TR 3-1 through 3-4

OBJECTIVE: When you finish this introduction, your students must be able to:
- Define the terms "publicizing", "synopsis" and "CBD"
- Describe the necessary steps for publicizing IFBs

TIME: 8:00 a.m.—7 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-1	a. Call the students' attention to TR 3-1 and the 17-item format, commonly called a synopsis. • A synopsis published in the Commerce Business Daily (CBD) is one of several methods used to seek bidder response to an IFB.	
TR 3-3	b. Publicizing the IFB means selecting a method of advertising to advise prospective bidders that the government is in the market to buy a product or service. • Publicizing contract actions increases competition and may broaden industry participation in meeting government requirements. Publicizing IFBs may assist small and small disadvantaged businesses in obtaining government contracts.	
TR 3-4	c. Refer the students to the flowchart on TR 3-4, "Steps in Publicizing an IFB." • The end result of publicizing is to make the solicitation available to all interested parties.	

TOPIC: 3.1 DETERMINING THE NEED TO SYNOPSIZE

REF: TR 3-5

OBJECTIVE: Teach the students those circumstances under which a synopsis is required.

TIME: 8:07 a.m.—10 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-5	a. A synopsis is a condensed statement of an agency's proposed contract action, published in the Commerce Business Daily (CBD) and used to announce IFBs and contract awards. Simply put, a synopsis is a means of advertising a government requirement. b. Those circumstances under which a synopsis is required are outlined in exhibit 3-3 and include:	
VG 3-5	**CIRCUMSTANCES WHERE A SYNOPSIS IS REQUIRED** • The proposed contract action is expected to exceed $25,000 or is expected to exceed $10,000 with no reasonable expectation that at least two bids will be received from responsive and responsible bidders without advertising/synopsizing. • The action is for modification of an existing contract for additional supplies or services, and the modification exceeds $10,000. • The action is an effort to locate private commercial sources for cost comparison purposes under OMB Circular A-76. • The action is any dollar amount, and it would be advantageous for the Government to synopsize in the CBD. VG 3-5	

TOPIC: 3.1 DETERMINING THE NEED TO SYNOPSIZE (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-5	c. At this point, explain to the students the role of the Commerce Business Daily (CBD) as the public notification medium used by the U.S. Government to advertise proposed contract actions and awards. • Published by the Commerce Department. • Five or six daily editions per week. • Instrumental in creating Free and Open Competition (FAOC).	

TOPIC: 3.1.1 EXCEPTIONS TO SYNOPSIZING

REF: TR 3-6

OBJECTIVE: Teach the students the exceptions to synopsizing.

TIME: 8:17 a.m.—6 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-6	a. The following exceptions to synopsizing may apply to sealed bidding: • When synopsizing is likely to disclose classified information. • When the requirement is for perishable subsistence supplies, and advance notice is not appropriate. • When the requirement is for a brandname commercial item for authorized resale. • When the action is made under the terms of an existing contract that was previously synopsized in sufficient detail to comply with the correct procedure for synopsizing. • When the action is by a defense agency and the contract action will be made and performed outside the U.S. and its possessions or Puerto Rico, and only local sources will be solicited. b. An agency head can also decide if advance notice of a forthcoming solicitation is appropriate or reasonable, usually after consulting with the Office of Federal Procurement Policy and the Small Business Administration. c. The use of any of these exceptions must be documented in the contract file.	

TOPIC: 3.1.2 PREPARE THE SYNOPSIS

REF: TR 3-7

OBJECTIVE: Teach the students the general guidelines for preparing a synopsis.

TIME: 8:23 a.m.—5 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-7	a. Each synopsis shall include all 17 format items and be prepared as outlined at FAR 5.207.	
	b. Conventional typing is used minimizing abbreviations and acronyms to only those most commonly recognized.	
	c. The appropriate synopsis sequence and form remain the same regardless of the means of transmission, which may include telecommunication, online computer data link, or the U.S. Mail.	
TR 3-8	3.1.2.1 Format Items	
TR 3-9	a. Exhibit 3-4 on TR 3-9 provides an excellent example of the 17-item synopsis format.	
TR 3-10 3-13	b. Pages 3-10 through 3-13 of the TR provide a brief explanation of each of the 17 items in the synopsis format. Students may review these pages on their own time.	

TOPIC: 3.1.2.2 APPLICATON OF FORMAT ITEM NUMBER 17

REF: TR 3-14

OBJECTIVE: Teach the students the importance of this item as it relates to the description of the supplies or services to be acquired.

TIME: 8:28 a.m.—6 minutes

METHOD: Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-14	a. Synopsis Item number 17, DESCRIPTION, must contain a clear and concise summary of the supplies or services to be acquired including: • Quantity, initial plus options • Delivery schedule • Nomenclature and NSN, if assigned • Length of contract period • Scope of services • Significant evaluation factors • Qualification requirements • Small business or labor surplus area set asides b. Lastly, include a statement that all responsible sources may submit a bid which shall be considered. 3.1.2.3 Numbered Notes a. A numbered note may be used at the end of a synopsis to describe how to respond, or to state the qualifications required of prospective contractors in order to be considered for an award. b. The final issue of the CBD each week lists all current "Numbered Notes."	

TOPIC: 3.1.3 FORWARDING THE SYNOPSIS

REF: TR 3-16 through 3-19

OBJECTIVE: Teach the students how to forward the synopsis with consideration for the Publication Requirements time line.

TIME: 8:34 a.m.—15 minutes

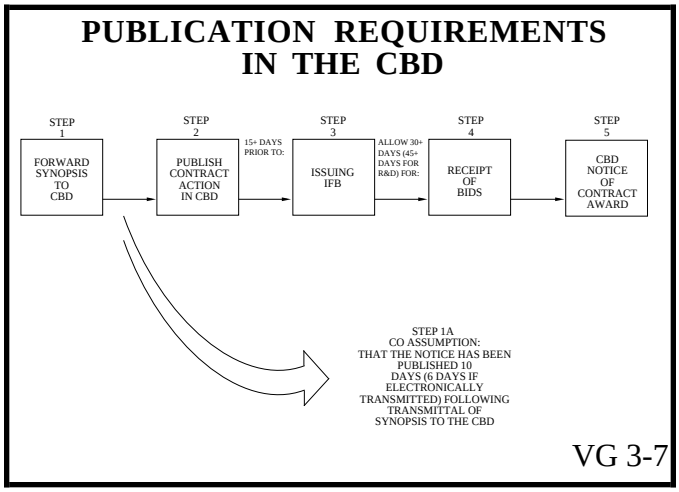
METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-16	a. The synopsis may be transmitted via the agency's communications center, sent through the U.S. Mail or any other means of hard copy delivery, or simply forwarded using the office computer equipped with a telephone modem enabling instant online access to the CBD. b. The address of the CBD is: • U.S. Department of Commerce Commerce Business Daily P.O. Box 5999 Chicago, IL 60680	
TR 3-17	3.1.3.1 Time Requirements for Publicizing a. It is important to allow sufficient lead time in publicizing an IFB before it is issued. b. This lead time includes transmission of the synopsis to the CBD, plus the FAR requirement to publish the synopsis in the CBD at least 15 days prior to issuance of the IFB. (FAR 5.203(a)) c. Fifteen days after the synopsis has been published in the CBD, the IFB may be issued to any interested parties. d. Following issuance of the IFB, agencies generally allow 30 to 45 days response time for receipt of bids. Prospective contractors generally have 45 days to respond to R&D solicitations.	

TOPIC: 3.1.3.1 TIME REQUIREMENTS FOR PUBLICIZING (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-17	e. VG 3-7. This viewgraph shows the various steps in publishing and issuing an IFB. For reference purposes, this viewgraph is also Exhibit 3.5 on p. 3-17 of the TR.	
VG 3-7		
TR 3-19	f. In establishing the bid opening date, it is important for the CO to ensure that bid opening does not occur on non-work days, weekends or holidays. Also, when appropriate, attempt to allow more than 30 days response time for receipt of bids. This gives prospective contractors more time to prepare their bids, possibly resulting in greater competition and lower prices.	

TOPIC:	3.1.4 PUBLICIZING THE REQUIREMENT BY OTHER METHODS
REF:	TR 3-20
OBJECTIVE:	Discuss with the students other options for publicizing the IFB.
TIME:	8:49 a.m.—12 minutes
METHOD:	Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-20	a. Proposed contract actions may be displayed in a public place near the contracting office. This is absolutely necessary for actions between $10,000 and $25,000 that might be particularly interesting to small businesses. b. Local trade associations may want to assist in disseminating information to their memberships. c. Brief announcements of proposed contract actions may be made to newspapers, trade journals, magazines, and perhaps even radio as news items or public service announcements, all at no expense to the government. d. Paid advertisements, although rarely used, are another option open to the CO. e. The IFB itself may be published for public display on the contracting agency's bulletin board upon or after issue date. Other posting possibilities include the agency's bid room or business service center. f. Whatever the means, the objective of publicizing is to get the word out that the government is in the market to buy certain supplies or services. Factors that may determine the extent of publicizing include increased competition, dollar value and/or importance of the procurement action.	

TOPIC:	3.1.5.1 THE IFB — HOW MANY COPIES?
REF:	TR 3-23
OBJECTIVE:	Teach the students how to determine the number of IFB copies required.
TIME:	9:01 a.m.— 9 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-23	a. In determining the number of IFB copies required, consider these factors: • Historical data for similar acquisitions. (What was the response?) • The number of contractors listed on the solicitation mailing list. • The dollar value of the contract. • Time allowed for submission of bids. • Geographical limitations (limited to certain labor surplus areas). • Whether the IFB is a total or partial small business set aside. • File copies, internal routing copies, award copies, etc. b. Publish enough copies to satisfy planned and unplanned requirements. c. Many prospective contractors will visit the contracting office to pick up copies of a newly issued IFB. d. Once the initial quantity is exhausted, you may charge duplication fees to those contractors requesting additional copies. e. It is now time for the students to have a break.	
CM 3-4	Upon completion of the break, have the students work on case study 3-1 found at CM 3-4.	

TOPIC:	INTRODUCTION TO PREAWARD INQUIRIES
REF:	TR 3-25
OBJECTIVE:	To teach the students the nature of Preaward Inquiries and the requirement to handle them properly.
TIME:	9:30 a.m.—10 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-25	a. Preaward inquiries are questions or comments from prospective bidders on publicized proposed contract actions before or after issuance of an IFB. b. To maintain the credibility of the sealed bidding process, contracting personnel must ensure: • That all prospective contractors are treated equally and fairly. • That all bidders submit offers in response to an IFB based on identical information. • That no offeror will be given a competitive advantage over another. c. The IFB is the only official means of communicating with potential bidders, except for presolicitation notices, pre-bid conferences or site visits. d. Undisciplined responses to inquiries received undermine the sealed bidding process and may result in protests alleging unfair treatment.	
TR 3-26	e. Bring to the students' attention the flowchart showing steps in responding to preaward inquiries, exhibit 3-7 on TR-3-26. Allow one minute for the students to review.	

TOPIC:	3.2, 3.2.1 RESPONDING TO PREAWARD INQUIRIES (who may respond and what they may say)
REF:	TR 3-27 through 3-28
OBJECTIVE:	Teach the proper responses to preaward inquiries.
TIME:	9:40 a.m.—10 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-27	a. The CO or his/her designated representative only, may respond to preaward inquiries. • Improper responses may result in one prospective bidder gaining a competitive advantage over another. • There are "harmless" inquiries applying to general information which may be answered by the CO or the appropriate contract specialist. • The question to ask is: "Is this general information, the release of which will not be prejudicial to other prospective bidders?"	
TR 3-28	b. Point out the following examples of general information that can be released, as shown in Exhibit 3-8 on TR-28. • Explaining the meaning of a standard clause or provision. • Directions to the bid opening location. • Where to obtain copies of specifications. • Who may attend the bid opening? c. The following sub-topics discuss other situations concerning preaward inquiries, both before and after the IFB is issued.	

TOPIC:	3.2.1.1 INFORMATION RELEASED BEFORE THE IFB IS ISSUED
REF:	TR 3-28 through 3-29
OBJECTIVE:	To evaluate the nature of Preaward Inquiries that occur before the IFB is issued.
TIME:	9:50 a.m.—7 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-28	a. Sometimes, agencies will release limited information before an IFB is issued. (Non-synopsis) e.g.: • This may be in the form of a presolicitation notice when bid sets are large and expensive and the mailing list is quite extensive. (Information useful to bidders). • Additional sources of supply may be located, and industry long-range planning interests may be well-served. b. Normal synopsis procedures may generate some degree of preaward inquiries. c. Inquiries resulting from these types of releases are usually more general in nature and do not involve "preferential" information. d. Acquisition information within the government is restricted to those who have a legitimate interest or a special need-to-know.	

TOPIC:	3.2.1.2 INFORMATION RELEASED AFTER THE IFB IS ISSUED (But Before Bid Opening)
REF:	TR 3-29 through 3-30
OBJECTIVE:	To evaluate the nature of preaward inquiries that occur after the IFB is issued, but before bid opening.
TIME:	9:57 a.m.— 15 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-29	a. Once prospective contractors have reviewed the IFB, it is quite likely the CO or his/her representative will receive inquiries about its content. b. This is the time to be cautious and careful of what is said in response to the inquiry. Certain information may not be disclosed. 3.2.2. Exhibit 3-9 a. The exhibit on TR 3-29 shows the kind of information that may not be released in response to a bidder inquiry: • Additional information relative to a Statement of Work or a specification. • Clarification of a requirement or interpretation of an alleged ambiguity. • An opinion of whether an alternate item will be acceptable. • Proprietary data per FAR 14.404-4. • Government Cost Estimates. • Bidders' responsibility per FAR 9.105-3. • Number and names of bidders.	

TOPIC: 3.2.2 INFORMATION RELEASED AFTER THE IFB IS ISSUED (But Before Bid Opening) (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-30	b. If an answer to any inquiry would appear to give a bidder insight or knowledge the other bidders don't have, do not answer the inquiry. c. Do not provide any information of the "good-to-know" variety that might help a bidder prepare a more competitive bid. d. Be polite to prospective bidders when in all fairness their inquiries cannot be answered. e. Nothing should be said by the CO or his/her staff to prejudice any of the competitors. f. The ultimate ideal of the sealed bidding method of procurement is fairness. All bidders are treated equally in that they all respond to the same IFB without embellishments resulting from preaward inquiries.	

TOPIC:	3.2.2.1 FREEDOM OF INFORMATION ACT
REF:	TR 3-30
OBJECTIVE:	Explain the relationship between Preaward Inquiries and FOIA.
TIME:	10:12 a.m.—10 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-30	a. If a request for information under the FOIA is addressed, refer to the agency FAR supplement for guidance. b. An agency's legal department should also be able to provide guidance relative to requests under the FOIA.	
TR 3-31	3.2.3 Responding to Inquiries Received. a. Inquiries may be verbal or in writing. b. The nature of the inquiry will determine the method of response. c. To those inquiries regarding information that may not be released, a simple, polite response would be: "We do not believe the information requested is essential to the preparation of a responsive bid." d. A frequent inquiry is one which requests an extension of the bid opening date. • The inquirer's inability to respond to the time schedule is not grounds for extending the bid opening date. • However, should the inquirer feel the previous contractor has an unfair advantage by successfully bidding in the past, the CO may be required to make a judgment call in the interest of overall fairness.	

TOPIC: 3.2.2.1 FREEDOM OF INFORMATION ACT (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-31	3.2.4 Review the inquiry and conduct necessary factfinding. a. When the inquiry involves more than general information, the CO's staff may conduct research with technical or requirements personnel in order to prepare a proper response. b. The results of this research may lead to amending, or even cancelling, the IFB. Amending and cancelling the IFB are discussed in detail in lesson four. c. An issued IFB that has been determined to be deficient as written cannot be allowed to continue.	

TOPIC:	3.2.5, 3.2.6 PROVIDING A FOLLOW UP RESPONSE AND DOCUMENTING THE FILE
REF:	TR 3-32
OBJECTIVE:	How to determine the proper response and when to document the file.
TIME:	10:22 a.m.— 10 minutes
METHOD:	Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 3-32	3.2.5 Follow Up Responses. a. If an inquiry results in a clarification of a specification, for example, then all prospective bidders receiving an IFB must be advised of that clarification. b. If the clarification is not necessary, then so notify the inquirer and document the file. c. Notification can be made orally and followed by written confirmation if the bid opening date is near. 3.2.6 Document the File a. Always document the contract file "now" as events happen. Don't rely on memory alone. b. Include the following in the file: • Notations of verbal inquiries (e.g. names, dates, etc.) • Written inquiries. • The response and the facts behind it . • Factfinding memos (e.g. who was consulted, decisions made, etc.) • Copies of all correspondence including to/from and dates. • Necessity to amend or cancel the IFB.	

TOPIC:	ROLEPLAY EXERCISE: RESPONDING TO PREAWARD INQUIRIES
REF:	CM 3-6, Case Study 3-2
OBJECTIVE:	Teach the students to handle Preaward Inquiries successfully by conducting a roleplay exercise.
TIME:	10:32 a.m.—15 minutes
METHOD:	Lecture/Discussion/Participation

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 3-6	a. Instructions • Two students may be selected by the instructor to act out the following roleplay exercise. • One student will represent the contract specialist, the other an interested bidder. • The interested bidder will ask a question, and the contract specialist will answer with a Yes or No only. • The class is to discuss the contract specialist's responses at the conclusion of the exercise or when the instructor interjects. b. Have the interested bidder place the call now and begin the roleplay exercise.	

ROLE PLAY EXERCISE: RESPONDING TO PREAWARD INQUIRIES	
Stage:	**Solicitation has been issued. Receiver is the Contract Specialist in charge of the solicitation. There is one week before bid opening. No other calls have been received.**
Caller:	Hello, I am Joe Brown with CREEK, Incorporated. I received your solicitation in the mail and am trying to respond. I have a few questions - Can you help me? **Response from Contract Specialist:** Answer with a Yes or NO
Joe Brown	I need extra copies of the specifications. Can you tell me where I can go to get them? **Response from Contract Specialist:** Answer with a Yes or NO
STOP HERE	**Ask the class if the CO can tell Joe where to go? Inform the class the answer is yes. Tell Joe to move on to the next question.**
Joe Brown:	Thanks, I will get them right away. My next question is; who else is bidding? Can you tell me who has already responded?
Contract Specialist:	Answer with a Yes or NO
STOP HERE:	**Ask the class to repond. At this point let the students know that the correct answer is NO.**
Joe Brown	Well then, how about a list of everyone who got copies of the solicitation?
Contract Specialist:	Answer Yes or NO

ROLEPLAY EXERCISE (Cont.)	
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**
Joe Brown:	Can you tell me how much the Government estimates this procurement should cost?
Contract Specialist:	Answer Yes or NO.
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**
Joe Brown:	We would like to offer an alternate item instead of the one requested. Would this item be acceptable?
Contract Specialist:	Answer Yes or NO.
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**
Joe Brown:	I have read the clause 52.232-25 entitled: Prompt Payment. This clause is 5 pages long. I get lost every time I read it. Can you explain it to me in terms I can understand?
Contract Specialist:	Answer Yes or NO.
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**
Joe Brown:	I just received the solicitation last week and it's going to take me at least two weeks to complete it. Can you extend the date of bid opening to allow me time to bid? I am certain it will be worth your while competitively.
Contract Specialist:	Answer Yes or NO.
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**

ROLEPLAY EXERCISE (Cont.)	
Joe Brown:	**NO? OK.** If you can't extend the date, is it possible for me to get clarification? It appears that on page 10 you want the requirements in an oblong box. On page 15 you state the requirements must be delivered in a tube. Can you tell me which is correct?
Contract Specialist:	Answer Yes or NO.
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**
Joe Brown:	The statement of work seems to be very vague. Can you give me background information on how it was developed? What decisions were made and how the estimates were determined?
Contract Specialist:	Answer Yes or NO.
STOP HERE:	**Ask the class to judge whether the answer given by the Contract Specialist was right.**
Joe Brown:	Well, you've been a big help! I'll call again if I have more questions. Bye!"
Contract Specialist:	Bye!

TOPIC: **INTERACTIVE REVIEW QUESTIONS**

REF: CM 3-9

TIME: 10:47 a.m.— 13 minutes

If time permits, use the following questions to review the material in Lesson 3.

1. What factors determine the need for synopsizing an IFB? TR 3-5

   The proposed contract action is expected to exceed $25,000 or is expected to exceed $10,000 with no reasonable expectation that at least two bids will be received from responsive and responsible bidders without the use of synopsizing.

   The action is for a modification of an existing contract for additional supplies or services and the proposed modification exceeds $10,000.

   The action is an effort to locate private commercial sources for cost comparison purposes under OMB Circular A-76 (see FAR 5.205(d)).

   The action is any dollar amount, and it would be advantageous to the Government to synopsize in the CBD.

2. List three examples of exceptions to synopsizing. TR 3-6

   When synopsizing might disclose **classified information.**

   When the requirement is for **perishable subsistence** supplies, and advance notice is not appropriate.

   When the requirement is for a **brand-name commercial** item for authorized resale.

3. What is the most efficient method of forwarding a synopsis? TR 3-16

   A synopsis should be forwarded **electronically** to the CBD whenever possible.

4. List four methods of publicizing a contract action, excluding writing a synopsis. TR 3-20

   Preparing periodic handouts
   Assisting local trade associations
   Making brief announcements in newspapers
   Paid advertisements

TOPIC: INTERACTIVE REVIEW QUESTIONS (Cont.)

5. List four items of general information that may be divulged when receiving a preaward inquiry. TR 3-28

   Explaining the meaning of a standard clause or provision.
   Directions to the bid opening location.
   Where to obtain copies of specifications.
   Who can attend the bid opening.

   Instructor note:

   Move directly now into Lesson Four.
   11:00 a.m.

LESSON 4

AMENDING AND CANCELLING IFBs

Primary Objective #1:

Primary Learning Objective	Condition:	Given a solicitation, proposals from the requiring activity to change the quantity, specifications, delivery schedules, closing dates, etc., and/or complaints or recommendations from potential offerors about specifications or other terms and conditions.
	Action:	• Determine whether to amend, cancel, or make no changes to IFBs (before opening). • Prepare an amendment to the solicitation.
	Standard:	Amends an IFB (before opening) when the overall scope of the contract would not be affected. Cancels IFBs before opening when the requirement no longer exists, funds are no longer available, or when the overall scope of the contract has changed to the extent that the original synopsis and/or solicitation no longer validly describes the requirement. Amendments clarify or correct all significant ambiguities, errors, or omissions in the Government's statement of the minimum functional need (as the need has evolved since the solicitation was issued) and/or other terms and conditions. All amendments are properly executed and put all offerors on an equal footing. No award is made unless the amendment has been issued in sufficient time to permit all prospective offerors to consider such information in submitting or modifying their bids.

Primary Objective #2:

Condition:	Given an IFB and a decision to cancel an IFB prior to bid opening.
Action:	Cancel the IFB.
Condition:	Given an IFB and the bids.
Action:	Determine whether to cancel after opening and, if so, cancel the IFB.
Standard:	Correctly prepares cancellation notices and notifies all potential offerors.

Course Learning Objectives (CLO)

At the completion of this lesson the student will be able to:

4-1 Determine whether or not to amend a solicitation

- State what to do after obtaining written revisions to the purchase request from the requiring activity.
- Identify problems with issued solicitations from bidder inquiries or pre-bid conferences.
- Determine whether to leave the solicitation "as is," amend the solicitation, or cancel the solicitation.

4-2 Prepare an amendment to the solicitation

- Determine whether to extend the bid opening date.
- Prepare amendment using the Standard Form 30.
- State how to issue an amendment.

4-3 Determine whether or not to cancel the solicitation

- Determine whether or not to cancel the IFB before bid opening.
- Identify compelling reasons to cancel the IFB after bid opening.

4-4 Cancel the solicitation

- Prepare notice of cancellation when solicitation is cancelled either before or after bid opening.
- State what to do to notify prospective bidders of a cancelled solicitation.
- Document the cancellation in the contract file.

Estimated Time	2 3/4 Hours
Method of Instruction	Lecture/Discussion with viewgraphs as visuals Interactive viewgraphs Student Exercise—Case Studies on Amending Solicitations and Cancelling Solicitations Interactive Review Questions
Student Materials	Text/Reference—Chapter Four Classroom Materials—Lesson Four (Case Studies)
Instructor Materials	Text/Reference—Chapter Four Instructor Guide—Lesson Four Overhead Projector and Overhead Markers Viewgraph Slides for Lesson Four
Instructor References	FAR 5.101(a)(2), 10.008, 14.207, 14.208, 14.209, 14.404-1, 15.409

TOPIC: INTRODUCTION TO LESSON 4, Part I

REF: TR 4-1 through 4-4

OBJECTIVE: When you finish this introduction, your students should understand the following:
- When to issue an amendment to the IFB
- The required steps in amending IFBs

TIME: 11:00 a.m.— 8 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-1 ☞ TR 4-2 4-3	a. Allow the students two minutes to review the vignette and learning objectives on TR 4-1 and 4-2 respectively. b. After the IFB is issued, numerous bidder inquiries may lead the contract specialist and CO to consider amending, cancelling or just leaving the IFB "as is." c. Amendments can only be issued prior to bid opening. It is important to remember the following: • An amendment becomes a part of the IFB and the resulting contract. • Standard Form 30 (SF-30) is the form used to describe the changes necessary to the IFB. • If an amendment would cause greater confusion or complication, cancel the IFB and start over again, including re-publicizing. • Amendments are usually expensive and time consuming; they should only be issued after careful analysis of the problem suggests an amendment may be required. • However, if an amendment is determined to be appropriate, issue it.	

TOPIC: INTRODUCTION TO LESSON 4, Part I (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-3 4-4	d. The required steps in amending or cancelling an IFB before bid opening are flowcharted in Exhibit 4-2 on page TR 4-4, and Exhibit 4-7 on page TR 4-14. e. When a problem arises with an issued IFB, a basic decision must be made whether to amend or cancel the solicitation. Consider the following: • Time (urgency) • Cost • Problem solution • Agency concerns f. Explain to the students the importance of building the solicitation correctly the first time and not issuing an IFB prematurely. • It is always best not to have to amend or cancel the IFB. • Careful, detailed work in the beginning will save much effort and time in the long run.	

TOPIC:	4.1 DETERMINING WHETHER TO AMEND OR CANCEL THE IFB
REF:	TR 4-5 through 4-8
OBJECTIVE:	Ensure that students understand the factors involved in making the decision to amend or cancel the IFB.
TIME:	11:08 a.m.—12 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-5	a. A number of factors may be involved in the CO's decision to cancel or amend the IFB before bid opening. • Pre-bid opening inquiries • Changed requirements • Changed delivery schedules • Changed quantities or services • Changed specifications or statements of work • Ambiguities requiring clarification • Results of pre-bid conferences • Administrative changes (e.g. a new bid opening date) • Pricing data b. A flawed IFB cannot be allowed to stand. It must be fixed (amended) or cancelled.	
TR 4-6	4.1.1 Other Potential Problems With Issued IFBs a. All bidders did not receive the same information. b. The terms and conditions restrict competition. c. Notice of contract action was not published at least 15 days before issuance of the IFB. d. Superior procurement alternatives have been identified, and must be addressed.	

TOPIC: 4.1 DETERMINING WHETHER TO AMEND OR CANCEL THE IFB (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-6	4.1.2 Pre-bid Conferences and Site Visits a. Normally in sealed bidding, pre-bid conferences and site visits are unnecessary. • More common in the "negotiation" method of procurement • May be required for Two-Step Sealed Bidding	
TR 4-7	b. Prospective bidders are brought together to have complicated specifications or requirements explained to them. • A pre-bid conference should never be used as a substitute for amending a defective or ambiguous IFB. • Conference results must be made available to all recipients of the IFB. c. Site visits allow prospective bidders the opportunity to examine government facilities or equipment that will be part of, or affected by, the contract work.	
	d. Briefly, refer the students back to the vignette on TR 4-1 to answer the questions regarding the filed protest. • Discuss why the bidder's protest would be upheld.	

TOPIC: 4.1 DETERMINING WHETHER TO AMEND OR CANCEL THE IFB (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-8	4.1.3 Problems Discovered "In-House" or, Changing Requirements a. At second or third glance, the issuing agency may discover problems with the IFB that warrant correction. • Ambiguous language • Inaccurate or incomplete terms and conditions, etc. b. The requiring activity realizes that changes are necessary. • Time and place of delivery • More clearly defined specifications or descriptions • Revised statement of work • Increase or decrease in the number of units ordered • Addition of an important price-related evaluation factor, e.g., F.O.B. origin vice F.O.B. destination c. It may become necessary to change the place, date and/or time of bid opening. d. Whatever the circumstance, changing the IFB requires an amendment. The vehicle of change is the issuance of the SF-30.	

TOPIC:	4.2 AMEND THE IFB
REF:	TR 4-8 through 4-12
OBJECTIVE:	Demonstrate that whatever the circumstances, the CO must amend the solicitation in order to change it.
TIME:	11:20 a.m.—30 minutes
METHOD:	Lecture/Case Study/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-8	a. 4.2.1 Postpone the Bid Opening Date • Upon determining that an amendment to the IFB is required, the next decision is whether or not to extend the bid opening date. • If the time available before opening is insufficient for prospective bidders to prepare their bids, the bid opening dates should be extended. • If bidders are advised by telegram or telephone of the planned amendment, written confirmation must follow. • The amendment must be sent to all prospective bidders who were sent the original solicitation. • Throughout the amendment process, the CO must be keenly aware of the fairness issue as regards all bidders. • Lastly, the CO must be careful not to limit competition by amending the IFB or extending the bid opening date.	

TOPIC: 4.2 AMEND THE IFB (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-9	a. 4.2.2 Prepare the Amendment (SF-30) • Use the SF-30 to amend the solicitation or modify a contract. • Be sure to include the items as depicted in Exhibit 4-5 on TR 4-9 and as visually displayed in VGs 4-9 and 4-10.	
	b. VG 4-9 and 4-10.	

PREPARING THE SF-30

Be sure to:

- Include the IFB and amendment number
- Indicate whether or not bid opening is extended
- Show the new date and time set for bid opening

VG 4-9

PREPARING THE SF-30 (Cont.)

Be sure to:

- Show what the amendment does to the IFB
- Put all changes under the appropriate UCF heading
- Attach any new specifications, drawings, etc., and clearly label their purpose

VG 4-10

TOPIC: 4.2 AMEND THE IFB (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-9	a. 4.2.3 Issue Amendment • To all prospective bidders who were sent the original IFB. • A copy of the amendment must be displayed at any public place where the original IFB appeared.	
TR 4-10 4-11	b. Call the students' attention to the exhibits 4-6 and 4-6a at TR 4-10 and 4-11 respectively. • These exhibits provide examples of the SF-30 front and back sides.	
	c. Assign Case Study 4-1, Amending IFBs. • Break the class into four or five small groups. • Allow 10 minutes for each group to read and discuss the case study found in the classroom materials. (CM 4-5) • Allow an additional 5 or 10 minutes to conduct an open class discussion of this case.	

CASE STUDY #4-1
AMENDING SOLICITATIONS

In January of this year, Thomas Dillon, an engineer assigned to the Army Tank and Automotive Command, issued a purchase request for 1,000 units of a particular mechanical component. Since the component was covered by a standard military specification, Dillon recommended that the acquisition be conducted by sealed bidding. The CO reviewed the purchase request and proceeded to issue an IFB with a bid opening date of March 13th of this year.

Early in February, a new requirement arose for delivery of 200 additional units of the same component, plus a requirement that serial numbers be engraved on each unit. After careful consideration, it was decided to amend the IFB to include the additional requirements.

The CO prepared the amendment to the IFB on February 15th and intended to release it the next day. However, the CO called in sick the next day and did not return to work for over a week. During that time his assistant, Jack Lacey, had the amendment reproduced and mailed to all sources that were mailed the IFB. At the time of the bid opening, it became apparent that some of the bidders had not received a copy of the amended solicitation.

QUESTION

What action should the CO take?

ANSWER

Note: This problem becomes known after the opening of bids, and after competition was obtained. It becomes a judgment call on the part of the CO. The requirement is not substantially changed by the amendment.

The CO should identify the low bid. If the price is fair and reasonable and the bidder is responsive and responsible, award should be made to that bidder. The CO can go to the next low bidder if the low bid is not acceptable. The CO also retains the option to split the award, i.e., 1000 units to one bidder, and the remaining 200 units to a second bidder.

This action would be appropriate unless there is an indication that Lacey (or someone else) deliberately and improperly attempted to exclude certain bidders from the competition or to otherwise prejudice their participation.

TOPIC: INTRODUCTION TO LESSON 4, PART II

REF: TR 4-13 through 4-15

OBJECTIVE: When you finish with this introduction, your students should understand the following:
- The steps required in cancelling IFBs before and after bid opening

TIME: 11:50 a.m.—10 minutes

METHOD: Lecture

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-13	a. The CO may cancel the IFB and any amendments before bid opening should he/she decide that the procurement action is no longer required. b. Following bid opening, an award is usually made to the low, responsive, responsible bidder. However, there may be certain circumstances that warrant the decision to cancel the IFB and any amendments after bid opening.	
TR 4-14 4-15	c. Flowcharts showing the required steps in cancelling IFBs before and after bid opening are seen in Exhibits 4-7 and 4-8, at TR 4-14 and 4-15 respectively. • These steps are now to be discussed in sequence. **It is now 12:00 noon.** **Time for Lunch Break**	

TOPIC: 4.3 CANCELLING IFBs BEFORE BID OPENING

REF: TR 4-16 through 4-17

OBJECTIVE: To understand the reasons why an IFB and its amendments might be cancelled before bid opening.

TIME: 1:00 p.m.— 8 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-16	a. IFB cancellation involves time, money and effort on the part of both bidder and that particular governmental agency. • Avoid cancellations unless they are clearly necessary or in the public interest. b. Cancellations may occur because: • The requirement no longer exists. • Amendments necessary to correct the IFB are too extensive. • The required funds are no longer available. c. 4.3.1 Prepare Notice of Cancellation. • There are specific items included in the cancellation notice as depicted in VG 4-14.	

TOPIC: 4.3 CANCELLING IFBs BEFORE BID OPENING (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
	• Show VG 4-14 now. • It is mandatory that all prospective bidders be provided the reasons for cancelling an IFB. The CO does not want to alienate bidders or discourage competition. **INCLUDE IN THE CANCELLATION NOTICE** • The IFB number • A brief description of the supplies/ services cancelled • Reasons for cancellation • A statement that the addressee will be given the opportunity to bid on any future requirements VG 4-14	

TOPIC: 4.3 CANCELLING IFBs BEFORE BID OPENING (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-17	d. 4.3.2 Send Notice to Bidders, Return Bids and Synopsize the Cancellation. • The cancellation notice must be sent to all prospective bidders who were sent the IFB. • All unopened bids must be returned. • Publishing a cancellation notice in the CBD may be agency policy, although not required by the FAR. • The cancellation may also be synopsized in conjunction with a synopsis for resolicitation of the same requirement. e. 4.3.3 Record Cancellation of the IFB and Document the File as Follows: • Reasons for cancellation • A copy of the cancellation notice • Associated letters, memos, etc. • Number of IFBs distributed • Number of bids received	

TOPIC:	4.4 CANCELLING IFBs AFTER BID OPENING
REF:	TR 4-18 through 4-24
OBJECTIVE:	To understand the compelling reasons why an IFB and its amendments might be cancelled after bid opening.
TIME:	1:08 a.m.—62 minutes
METHOD:	Lecture/Case Studies/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-18	a. The primary problem with cancelling an IFB after bid opening is that now competitive bid prices have been exposed. The maximum competitive benefit is lost. • This in a way destroys the integrity and fairness of the sealed bidding method of procurement.	
TR 4-20	b. Compelling reasons must exist to cancel an IFB after bid opening: • Confusing or misunderstood specifications which cause the low bid to be meaningless. • The prices bid are clearly not in the public interest. • Bids received indicate that the government's requirements can be met by a less expensive article than the one solicited in the IFB. • All factors of cost to the government have not been considered: - Price related evaluation factors have not been stated in the IFB. - Additional costs of shipping government furnished property to the bidders' manufacturing sites will be incurred.	

TOPIC: CANCELLING IFBs AFTER BID OPENING (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-20	c. Under certain circumstances, the decision to cancel the IFB after bid opening is made through a written determination by the applicable Agency Head or the Agency's senior executive in charge of procurement. • The CO then cancels the IFB and may resolicit if the requirement still exists. • There is also the possibility that the CO may cancel the IFB and award the contract through negotiation.	
TR 4-21	d. When an OMB circular A-76 cost comparison clearly shows performance by the government to be more economical, the government in effect "wins the bidding" and the IFB is cancelled. e. The CO may cancel the IFB after bid opening and during the bid evaluation period if the supplies or services are no longer required.	

TOPIC: CANCELLING IFBs AFTER BID OPENING (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-21	f. The CO should <u>not</u> cancel the IFB after bid opening if the situation is only that increased numbers of the items are being solicited, e.g., Case Study 4-1.	
	g. The fact that a prospective bidder was inadvertently unsolicited is in no way grounds for cancelling the IFB and resoliciting.	
TR 4-22	h. 4.4.1 Determine whether to Complete the Acquisition through Negotiations and Obtain Approval.	
	• The CO may be authorized in writing to complete contract award for a particular acquisition through negotiation.	
	• Show VG 4-18.	
	NEGOTIATING IFBs AFTER BID OPENING Instances where the CO shall cancel and may complete acquisition by negotiation if authorized in written determination. • No responsive/responsible bids received • Only one bid received and price reasonableness cannot be determined • ALL BIDS are at unreasonable prices • Bids not independently arrived at VG 4-18	

TOPIC: CANCELLING IFBs AFTER BID OPENING (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-23	i. Discussion of the Four Examples Presented in VG 4-18. • A bid that is not responsive at the time of bid opening cannot later be made responsive. • An award can still be made even if only one bid is received, and the price is judged to be reasonable based on prior experience with previous acquisitions of similar type supplies or services. When price reasonableness cannot be determined, award cannot be made. • The price offered must be fair and reasonable for contract award to be made. • Bidder collusion to set prices is a violation of federal law and must be reported by the CO upon identification. Obviously, under these circumstances, a contract cannot be awarded.	
TR 4-24	j. 4.4.2 Prepare and Distribute the Notice of Cancellation. • A notice of cancellation after bid opening is prepared in the same manner as cancellations that occur before bid opening. • A synopsis of the cancellation notice may be published in the CBD as a matter of agency policy, but this is not mandatory.	

TOPIC: CANCELLING IFBs AFTER BID OPENING (Cont.)

Case Studies

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 4-24	k. 4.4.3 Record Cancellation of IFB and Document the File • Discuss the following differences in documenting the file when cancelling after bid opening: - Include received bids in the file - Include the Abstract of Offers, SF1409 - If available, include the agency's written determination to cancel the IFB. - Document any follow-on actions resulting from the cancellation. l. Detailed documentation of the contract file is absolutely necessary to protect the CO and the agency in cases of litigation.	
CM 4-6	m. Case Study 4-2—Cancelling IFBs. Instruct the students to read the case study and formulate answers to the five complaints registered by Security to the GAO. Allow 10 minutes. • In the remaining time, conduct an open discussion concerning each of the Comptroller General's decisions. • If you are running short on time, move quickly to Case Study 4-3, "Changes, Changes and More Changes."	

CASE STUDY #4-2
CANCELLING A SOLICITATION

The original IFB, issued on September 4, 1987, contained three schedules upon which to bid. Three responsive bids were received by the bid opening date, October 5. Security Storage & Moving was the low bidder on Schedule III, but prior to any awards, on October 14, the Department of Labor (DOL) notified the CO that the wage determination included in the solicitation package was in error, and that the appropriate wage determination was approximately $1 per hour lower. The error was discovered as a result of an inquiry initiated by Weathers Brothers, one of the bidders. Based on this information, the CO decided to cancel the solicitation and resolicit, reasoning that since the contract was labor intensive, resolicitation could result in considerable savings to the Government. On November 25, the Army issued the new solicitation with a bid opening date of December 7, and Weathers Brothers now was the low bidder on Schedule III.

QUESTIONS

1. Security questioned the propriety of the change in the wage determination and claimed it was unfair to cancel a solicitation on that basis. Was it unfair? Why or why not? NO! Savings.

2. Security argues that the CO improperly failed to make an award under the original solicitation with reasonable promptness and that this undue delay prevented Security from receiving a contract to which it was entitled. Was the CO negligent? Why or why not? NO! Best interests of Government.

3. Security objects to the CO's action at the bid opening on the grounds that she improperly allowed a Weathers brothers representative to correct the solicitation number on the outside of the bid envelope. Does Security have a legitimate objection? Why or why not? NO!

4. Security contends that because only Weathers Brothers knew that the delay after the original bid opening likely was related to its inquiry involving the wage determination, Weathers Brothers had an unfair head start in recalculating its bid based on its presumed knowledge of the proper wage rates. Does Security have a valid dispute in this case? NO!

5. Security asserts that it was allowed inadequate time to prepare its revised bid under the new IFB. This ground for protest was evident from the face of the solicitation, and thus had to be raised before bid opening in order to be timely. Is Security's protest justified? Why or why not? NO! Should have been raised before bid opening.

ANSWERS

1. Comptroller ruling: Cancellation of the IFB after bid opening is justified where the Department of Labor (DOL) informed the agency that the wage determination used was erroneous and use of the proper, lower wage determination will result in a cost savings to the Government.

2. Comptroller ruling: This argument is without merit. The minimum bid acceptance period in the IFB was 60 calendar days, and it was only 9 calendar days after bid opening that the agency was advised of the incorrect wage determination.

3. Comptroller ruling: Agency's action in allowing bidder to correct solicitation number on the outside of its bid envelope is unobjectionable where the bid envelope itself remained sealed until bid opening.

4. Comptroller ruling: Fact that one bidder has potentially beneficial information as to correct wage rate in advance of resolicitation is unobjectionable where the information was not obtained as a result of any improper action by the agency.

5. Comptroller ruling: Allegation that solicitation allowed insufficient time for bid preparation, which concerns an alleged defect apparent on the face of the solicitation, is untimely and will not be considered where raised after bid opening.

TOPIC:	AMENDING AND CANCELLING IFBs (Cont.) Case Studies

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 4-7 through 4-10	m. Case Study 4-3—Changes, Changes, and More Changes. • Use the student groups previously identified for Case Study 4-1 and the acquisition plan and purchase request from Lesson 2. • Instruct the groups to formulate responses to all eight issues. • Each response should identify the applicable UCF section and the correct course of action for cancelling the solicitation, changing the solicitation or leaving the solicitation as is. • Each group should be prepared to defend its decision, including the preparation of the SF-30, where applicable.	

CASE STUDY 4-3
CHANGES, CHANGES, AND MORE CHANGES

Background

Jane Smith was able to meet her projected milestones - she issued her solicitation on December 30 with the bid opening scheduled for January 30. Jane anticipated award by March 1 and delivery to begin by March 20.

Instructions

Their are eight issues impacting this procurement. Each group will be required to:

- Identify the applicable UCF section for each issue.
  - Decide whether to:
    - Make no change to the solicitation
    - Change the solicitation (and explain how)
    - Cancel the solicitation
  - Each group is also required to prepare a SF-30 covering an amendment.

Issues

1. January 8: As part of his environmental program, the President has issued an Executive Order encouraging all Government agencies to accept only recycled products in their purchase orders and contracts. Of particular concern is the paper used by the Government for printing and duplicating.

Identify the Section:		C
Check One:	No Change	√
	Amend	
	Cancel	

Defend your decision: Already in the CID.

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2. January 11: The Office of Contracts reorganized. Jane Smith was reassigned to the Congressional Liaison Office, and Larry Gray was assigned this procurement. His telephone number is (202) 936-2222.

Identify the Section:		A
Check One:	No Change	
	Amend	√
	Cancel	

Defend your decision: Sufficient time exists before bid opening.

CASE STUDY 4-3
CHANGES, CHANGES, AND MORE CHANGES

3. January 12: A prospective bidder called to request a change in the delivery schedule. He felt the delivery requirements are restrictive and would like to have them relaxed so he can bid. He can provide the delivery as follows: 2,500 reams within 30 days and 2,500 reams every 15 days thereafter.

Identify the Section:		F
Check One:	No Change	√
	Amend	
	Cancel	

Defend your decision: We need the paper on April 5.

---

4. January 15: The Office of Contracts was sent a copy of the Inspector General's report on contracting for xerographic paper. They found that the paper being delivered by the last two contractors did not meet specifications. The IG was considering turning this matter over to the Department of Justice. Larry checked his source list and noticed both of the contractors had been sent a copy of the solicitation.

Identify the Section:		L
Check One:	No Change	
	Amend	√
	Cancel	

Defend your decision: No requirement to set-aside this procurement for small businesses.

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5. January 20. A prospective bidder called and requested an extension of the bid opening date. He had just received the bid in the mail and would like to bid but would need more time.

Identify the Section:		A
Check One:	No Change	√
	Amend	
	Cancel	

Defend your decision: We can't make exceptions for one bidder. Adequate competition exists without this bidder.

CASE STUDY 4-3
CHANGES, CHANGES, AND MORE CHANGES

6. January 25. The Reproduction Office called to request this procurement be expedited. This office is running out of paper much faster than usual, and will be completely out within a month.

Identify the Section:		F
Check One:	No Change	√
	Amend	
	Cancel	

Defend your decision: Place an order under small purchases procedures, and decrease the total quantity of the solicitation.

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7. January 28: The Office of Contracts was physically moved to a building in downtown Washington. This was a result of the reorganization, and the date of the move was known well in advance by everyone in the Office of Contracts. Larry Gray had decided not to amend the solicitation to show a new location for the bid opening; instead he planned to hold the opening at the original location. Two days before bid opening, however, he learned that the original location would not be opened to the public.

Identify the Section:		A
Check One:	No Change	
	Amend	√
	Cancel	

Defend your decision: Send telegrams to extend the bid opening several hours. Post a government representative at the original site to pass out amendment.

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8. February 2: Two days after bid opening, Larry opened his mail and discovered that the requisitioner had included the wrong specification to the purchase request. The requisitioner's letter was dated January 29, and due to the move, did not arrive prior to bid opening. Larry determined that the differences included requiring a Wet Toner in lieu of a Dry Toner and that the correct specification is specifically intended for use in the SAVIN copiers. Four bids were received. The prices were extremely good: $5.95 to $6.25.

Identify the Section:		C
Check One:	No Change	
	Amend	
	Cancel	√

Defend your decision: Wrong specification requires starting all over again. Synopsize the new requirement and assign a new solicitation number.

CASE STUDY 4-3
CHANGES, CHANGES, AND MORE CHANGES

SUGGESTED SOLUTIONS: INSTRUCTOR USE ONLY.

1. SECTION C

   NO CHANGE

   REASON: The specification (CID) encourages the use of recycled paper. The Executive Order did nothing more than "encourage" the contracting for recycled paper. If the Executive Order had required that only recycled paper be accepted, the solicitation would have to be changed.

2. SECTION A

   AMEND THE SOLICITATION

   REASON: Sufficient time exists to amend the solicitation.

3. SECTION F

   NO CHANGE

   REASON: You need the paper by April 5, not when he proposes. The solicitation does not allow the bidders the opportunity to provide other delivery schedules for consideration.

4. SECTION L

   AMEND THE SOLICITATION

   REASON: You no longer have the justification to set-aside this procurement for small businesses. After obtaining approval from the SBA representative, delete the set-aside procurement.

5. SECTION A

   NO CHANGE

   REASON: You are not obligated to change your bid opening date when you have a specific need for the requirement to be delivered on time. Enhancing competition does not mean you must placate every prospective bidder. This decision is based on the assumption that adequate competition exists without this bidder.

CASE STUDY 4-3
CHANGES, CHANGES, AND MORE CHANGES

6. SECTION F

NO CHANGE

REASON: The opening is scheduled for January 30th, and there is insufficient time to issue any amendment. An amendment would only add more time to the days before delivery! In lieu of amending the solicitation, you could place an order under small purchase procedures and decrease the quantity of this solicitation by awarding less than the total quantity. The award clause gives you that right. You would then need to notify all the bidders that a lesser quantity was cancelled from this solicitation because it was obtained through small purchase procedures due to urgency.

7. SECTION A

AMEND THE SOLICITATION

REASON: You cannot allow a bid opening to take place that is not open to the public unless this solicitation is for classified materials. You will have to amend the solicitation for at least several hours and have an authorized Government official available at the original site to hand out the amendment and accept bids. A copy of the amendment must be displayed at the site. Directions to the revised site must be given. Any way you look at it, determining late bids will be difficult.

8. SECTION C

CANCEL THE SOLICITATION

REASON: The wrong specification requires you to start all over again. The differences between the requirements are substantial. YOU CANNOT PROCEED WITH THE AWARD THINKING YOU MAY ISSUE A MODIFICATION TO THE SUCCESSFUL BIDDER AFTER AWARD. Not only must you cancel this solicitation, but you will have to synopsize the new requirement. The new solicitation must have a new solicitation number assigned to it.

TOPIC: AMENDING AND CANCELLING IFBs (Cont.)

Interactive Review Questions

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 4-11	n. Should time permit, utilize the Interactive Review Questions to emphasize the key teaching points of Lesson 4.	
	It is now 2:10 p.m. and time for a break.	
	Lesson 5 commences at 2:30 p.m.	

INTERACTIVE REVIEW QUESTIONS

If time permits, use the following questions to review the material in Lesson 4.

1. List two ways that problems with IFBs would be identified. TR 4-5

   - Bidder Inquiries
   - Pre-bid Conferences

2. List three potential problems with issued solicitations. TR 4-6

   - Incomplete, inaccurate, or missing terms, conditions, or data.
   - Terms or conditions that are being misinterpreted by potential bidders (vague or ambiguous).
   - Release of additional data that was not sent to all potential bidders.
   - One or more bidders identified terms or conditions which are inferior to possible alternatives.
   - Terms and conditions that unnecessarily restrict competition or otherwise discriminate against some potential bidders.
   - The notice of the contract action was not published at least 15 days before issuance of the IFB (in which case an amendment may be necessary to postpone the bid opening date or justify urgency for keeping the bid opening date as is).

3. What is a pre-bid conference and what is its purpose? TR 4-6

   A pre-bid conference is a meeting held before bid opening for the purpose of briefing prospective bidders and explaining complicated specifications and requirements to them.

4. List three situations that would authorize a cancellation of an IFB before bid opening. TR 4-16

   - There is no longer a requirement for the supplies or services.
   - Amendments to the IFB would be so extensive (i.e., the overall scope of the work has changed to such an extent that the original synopsis and/or IFB no longer validly describe the requirements) that a new IFB is desirable.
   - The necessary funds are no longer available.

5. What should you include in a cancellation notice? TR 4-16

   - The solicitation number,
   - A brief description of the supplies or services cancelled,
   - Reasons for cancelling the IFB, and
   - A statement that the addressee will be given the opportunity to bid on any future requirements for the work or services cancelled.

LESSON 5

PROCESSING BIDS

Primary Learning Objective

Primary Objective #1:

Condition: Given the solicitation and several bids,

Action:
- Receive and control bids
- Open, read, record, and abstract bids

Standard: All bids kept secure. Opens and correctly abstracts the bid no earlier than the opening date and time.

Primary Objective #2:

Condition: Given an IFB which includes "Minimum Bid Acceptance Period" and several bids,

Action: Request time extensions of bid expiration dates

Standard: The several bidders who submitted the lowest unexpired bids are provided an opportunity to keep their bids valid through the procurement process up to award, when the Government encounters administrative difficulties that would delay award beyond bidders' acceptance periods.

Primary Objective #3:

Condition: Given a solicitation specifying a due date and time for receipt of offers and several late offers,

Action: Determine which late offers, if any, can be considered for award

Standard: Decisions strictly comply with FAR 14.304 on the administration of late offers.

Primary Objective #4:

Condition: Given an IFB and bids that have been opened and abstracted,

Action: Determine responsiveness to the IFB

Standard: The apparent low bid complies in all material aspects with the IFB; all minor informalities/irregularities are corrected or waived.

Primary Learning Objective

Primary Objective #5:

Condition: Given bids with one or more of the following:

- Economic price adjustments
- Transportation costs
- Options
- Other price-related factors

Action: Calculate the evaluated price for each bid and determine whether the lowest price is reasonable

Standard: Considers all price-related factors and accurately calculates evaluated prices. Identifies all comparative data, selects the best price comparison and analysis techniques for the procurement, and accurately adjusts the data for equitable comparison with proposed prices. Correctly determines whether the lowest price bid is reasonable.

Course Learning Objectives (CLO)

At the completion of this lesson the student will be able to:

5-1 Receive and control bids

- Secure bids, or modifications to bids, in a locked box or safe.
- Return bids unopened if the IFB is cancelled.
- Provide information concerning bidder identity to Government employees only on a "need to know" basis.

5-2 Open, read, and abstract bids

- Ensure that all bidders' representatives have an appropriate security clearance if the IFB is classified.
- Open the bid on the designated date and time.

5-3 Request time extensions of bid expiration dates

- Determine each bid's acceptance period.
- Identify any bid that fails to offer the minimum bid acceptance period and reject each such bid as non-responsive.
- Explain what to do if award will be delayed and the time set forth in the bid will expire.

5-4 Determine which late bids can be considered for award

- Identify all bids received in the designated Government office after the exact time specified in the solicitation.
- Determine which late bids can be opened and considered for award.
- State what to do when an unacceptable late bid is received.

5-5 Determine responsiveness to the IFB

- Determine whether the bid conforms to the essential requirements of the IFB.
- Identify minor informalities and irregularities in the bid.
- Provide the bidder with an opportunity to cure any deficiency resulting from the irregularity.
- Reject non-responsive bids.

5-6 Calculate the evaluated price for each bid

- Identify price-related factors in the bids
- Describe the procedure for verifying the bidder's computations and applying price-related factors to determine the evaluated price.

5-7 Determine whether the lowest price is reasonable

- Describe price analysis and the procedures used to determine whether the bid in line for award is fair and reasonable.
- Convert from sealed bidding to negotiation if all otherwise acceptable bids received are at unreasonable prices.
- Determine the bid that is in line for award from equally low bids.

Estimated Time ONE DAY

Method of Instruction
Lecture/Discussion with viewgraphs as visuals
Interactive viewgraphs
Student Exercise — Case Studies on processing bids and on bid evaluation
Interactive Review Questions

Student Materials
Text/Reference—Chapter Five
Classroom Materials—Lesson Five (Case Studies)

Instructor Materials
Text/Reference—Chapter Five
Instructor Guide—Lesson Five
Overhead Projector and Overhead Markers
Viewgraph slides for Lesson Five

Instructor References
FAR 14.201-8, 14.202-2, 14.202-3(b), 14.201-8, 14.302, 14.302(c), 14.303, 14.304-1, 14.304-3, 14.304-4, 14.404, 14.404-1, 14.404-2, 14.405, 14.407-1, 14.407-2, 14.407-6, 15.103, 15.805-2, 24.202(b), 24.406, 25.1, 25.101, 25.102, 25.109, 25.4, 25.401, 25.402(b), 25.403, 28.101-4, 29.201, 52.214-5(b), 52.214-13, 52.214-15, 52.214-16, 52.225-1, 52.225-2, 52.225-3, 52.225-8, 52.225-9, 52.214-10, 52.214-22, 52.229-3

TOPIC:	INTRODUCTION TO PROCESSING BIDS
REF:	TR 5-1 through 5-6
OBJECTIVE:	To introduce the student to the purpose and standards of Processing Bids.
TIME:	2:30 p.m.— 7 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-1	a. Allow the students two minutes to read the vignette at TR 5-1. • Explain that the subject of late bids will be discussed in great detail later in the lesson.	
	b. Advise the students of the tremendous amount of information that must be learned in order to process bids correctly. • Incorrect processing of bids results in protests being filed. • Protests are handled in detail in a later lesson.	
TR 5-5	c. Processing bids involves the following: • Securing bids. • Requesting time extensions. • Determine bid responsiveness. • Evaluating bids. • Opening the bids at a public bid opening. • Awarding contracts based on responsive bids from responsible bidders. • Considering late bids.	
TR 5-6	d. The steps in processing bids are charted on TR 5-6, exhibit 5-2. These steps will now be discussed in turn.	

TOPIC:	5.1 RECEIVING, SECURING, AND CONTROLLING BIDS
REF:	TR 5-7 through 5-9
OBJECTIVE:	Explain the steps to securing bids.
TIME:	2:37 p.m.— 20 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-7	a. In contracting by sealed bidding, all bidders have an opportunity to : • Bid in the same manner. • Bid at the same time. • Bid on the same terms and conditions. • Evaluate bids on the same predetermined basis. b. How bids are received, secured and controlled is critically important to the bid evaluation process. For example, bid envelopes must indicate which solicitation the bid is answering. c. Whatever method is used to deliver a bid to a Government Contract Office, solicitations require bids to be received by the exact time and date set for receipt of bids. • The general rule for the timely receipt of bids is "late is late." Bids received after the designated time and date are not to be considered for award, with few exceptions. 5.1.1 Securing Bids	
TR 5-8	a. The steps to securing bids are: • Time stamp the bids upon receipt. • Record receipts in the bid log. • Secure bids in a locked bid box or safe with the bid log. • Do not open bids. • Provide information to Government employees only on a "need to know" basis.	

TOPIC:	5.1 RECEIVING, SECURING, AND CONTROLLING BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-8	5.1.1 Securing Bids (Cont.) b. Envelopes that do not identify the bidder or the solicitation may be opened for identification purposes only: • Write on the envelope the opener's signature, title, the date and time opened, and an explanation of the opening. • Include the solicitation number, and immediately reseal the envelope. • Do not discuss any information contained in the envelope prior to bid opening. 5.1.2 Facsimile and Telegraphic Bids a. Facsimile bids may be authorized under the provision at FAR 52.214-31, but the following should be considered before using this transmission mode: • Size of the bid package. • Urgency of requirement. • Frequency of price changes. • Availability of FAX receiving equipment . • Adequacy of controls over the materials received.	
TR 5-9	b. Telegraphic bids may be authorized under the provision at FAR 52.214.13 in special cases where: • The bid opening date does not allow bidders sufficient time to submit bids on the prescribed forms.	

TOPIC:	5.1 RECEIVING, SECURING, AND CONTROLLING BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-9	5.1.2 Facsimile and Telegraphic Bids (Cont.) • Product prices are subject to frequent changes. • Time constraints require delivery of the bid telephonically through the telegraph office with hard copy follow-up in five days. 5.1.3 Modifications or Withdrawals of Bids a. Bids may be withdrawn or modified by written or telegraphic notice if this is done prior to the bid opening date and time. b. A telephone call from the telegraph office delivering a modification or withdrawal may be accepted as long as the written message arrives at the agency's contracts office shortly and: • The message envelope is stamped with the date and time of receipt. • The name and signature of the receiving official is included. • The solicitation number is provided. • The envelope containing the message is properly sealed and there has been no discussion of the information provided.	

TOPIC:	5.2 OPENING AND ABSTRACTING BIDS
REF:	TR 5-10 through 5-14
OBJECTIVE:	Explain the process of opening and abstracting bids in a public forum.
TIME:	2:57 p.m.— 33 minutes
METHOD:	Lecture/Discussion/Simulation Exercise

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-10	5.2.1 Postpone Bid Opening After the Date and Time Set. a. This action is usually accomplished by amending the solicitation. b. Reasons for postponing bid opening at the last minute may include: • Acts of God (e.g. fires, floods, ice and snowstorms, etc.) may have prevented the arrival of numerous bids in the mail. • Emergencies or unanticipated events may have interrupted government processes so that bid opening cannot take place as scheduled. c. Two ways of postponing the bid opening are: • Make a public announcement informing all prospective bidders, and issue a formal amendment. • Proceed with the bid opening as soon as practical after the scheduled time, without formal amendment or notice to bidders. This applies when the delay has been caused by an unanticipated event or government emergency. - Include on the abstract of offers the circumstances surrounding the postponement.	

TOPIC: 5.2 OPENING AND ABSTRACTING BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-10	5.2.2 Conducting the Bid Opening a. In contracting by sealed bidding, submitted bids are opened in public to ensure the absolute fairness of the bid submission process. b. The bid opening officer announces to all those present that the time for bid opening has arrived. Following this announcement, no hand-carried bids are accepted.	
TR 5-11	c. The exact steps in the bid opening process are as follows: • Open all bids personally and publicly. • Read all bids aloud to those gathered in the bid opening room. • Record the bids on the Abstract of Offers. • Safeguard each original bid until: - The Abstract of Offers document is complete. - Its accuracy is verified. • Ensure the bids' availability for review by interested individuals. d. The bid opening officer may utilize an assistant to record the bids. The officer remains responsible for the actions of the assistant.	

TOPIC: 5.2 OPENING AND ABSTRACTING BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-11	5.2.2 Conducting the Bid Opening (Cont.) e. Read aloud the essential information contained in the bid: • Name of the bidder, item number, quantity and unit price. • Total price and discount terms, if applicable. • Transportation arrangements, e.g. FOB destination or origin, if applicable. • If the bid is an "all or none" bid.	
TR 5-12	f. Information not read is included in the Abstract of Offers, SF 1409, and made available for review following the opening: • If the bidding process is complicated and involves many bidders, a formal SF 1409 with greater detail is developed for later review. g. Original bids may be examined by the public, but only under the supervision of a government official. • Duplicate bids are to be made available as quickly as possible. • Original bids are to be protected to prevent substitutions, additions, deletions or alterations.	
TR 5-12	5.2.3 Abstracting Bids a. The SF 1409, Abstract of Offers, must be accurately completed as soon as possible following the bid opening:	

TOPIC: 5.2 OPENING AND ABSTRACTING BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-12	5.2.3 Abstracting Bids (Cont.) • An example of the SF 1409 is depicted at TR 5-14, exhibit 5-5. • The bid opening officer certifies the accuracy and completeness of the SF 1409. • The reverse side of the SF 1409 may be used to record additional information concerning the bid or the bidder. • The SF 1409 may also refer the reviewer to the original bid package for additional information. b. Abstracts should not contain: • Bidders' failure to meet basic standards of responsibility. • Apparent collusion of bidders. • Those items properly exempt from disclosure to the public pursuant to the Freedom of Information Act.	
TR 5-13	5.2.4 Classified Bid Opening a. If solicitation bids are classified, the bid opening is not accessible to the general public. • The opening may be attended and results recorded by those bidder representatives who: - Have standing security clearances, and - Represent bidders previously invited to bid on the classified solicitation.	

TOPIC: 5.2 OPENING AND ABSTRACTING BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-13	5.2.4 Classified Bid Opening (Cont.) b. No public record of bid prices or bids received is maintained in response to classified solicitations. c. The CO is responsible for conducting classified bid openings appropriately.	
CM 5-9	Assign Case Study 5-2 (Simulation Exercise) as homework. The simulation begins Wednesday morning. Make assignments now. (Instructor Guide p. 5-17).	
	End of Day Two.	

TOPIC:	SIMULATION EXERCISE, PART I, THE BID OPENING
REF:	CM 5-9 through 5-22
OBJECTIVE:	To provide the students with an opportunity to conduct an actual bid opening.
TIME:	Wednesday 8:00 a.m.— 90 minutes
METHOD:	Simulation Exercise

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 5-9	a. For homework, the students have reviewed the simulation exercise instructions beginning on CM 5-9 to prepare the bid their group will submit in response to the IFB. b. The bid opening is scheduled for 8:30 a.m. The groups should complete their bid packages for the company they represent and submit to the Bid Opening Officer prior to the designated time for bid opening. c. At exactly 8:30 a.m. the Bid Opening Officer is to conduct the bid opening as outlined in the following pages. d. Upon completion of the bid opening exercise at 9:30 a.m., the students may have their morning break. **Morning Break**	

SIMULATION EXERCISE

PART I

THE BID OPENING

Instructions for the Instructor

Instructions for the Students (Each student has a copy in their classroom materials - Page CM 5-9)

Instructions for the Bid Opening Officer and Recorder (including Bid Opening Officer Script)

IFB

Bid Preparation Instructions

Completed SF 1409

Note: An exercise covering the issues raised by the bid opening will be conducted after Lesson 7.

SEALED BIDDING-SIMULATION EXERCISE INTRODUCTION

Purpose: To exercise the rules and regulations of sealed bidding by allowing students to actively participate in a “mock” sealed bidding simulation.

Materials: This simulation exercise packet contains:

- Instructions for instructor
- Instructions for students
- Instructions for the Bid Opening Officer and Recorder
- An IFB
- Instructions for preparing bids for 10 contractor groups plus 1 late bidder
- Completed SF 1409

Time Needed: This exercise takes approximately one hour and thirty minutes.

Roles:

- Bid Opening Officer
- Recorder
- Late Bidder (represents 1 contractor group)
- 10 additional contractor groups
- Group leaders

General Description: This exercise will cover the following sealed bidding tasks:

- Processing Bids (Previously discussed)
- Opening Bids
- Abstracting Bids

SEALED BIDDING-SIMULATION EXERCISE

INSTRUCTIONS FOR INSTRUCTOR

Prior to Simulation Exercise:

Obtain 11 large brown envelopes.

Separate into:

a. The IFB (Each student has a copy in the classroom materials)
b. Student Instructions
c. Bid Preparation Instructions for 10 groups plus one for the late bidder
d. Instructions to Bid Opening Officer and Recorder
e. Completed SF 1409

Make up packets for each of 10 contractor groups plus the late bidder. Each packet should contain:

a. A brown envelope
b. Bid preparation instructions for each group
c. A copy of Student Instructions

At the start of the Simulation Exercise: (Assignments made Tuesday afternoon)

- Select one student to be the bid opening officer.
- Select one student to be the recorder.
- Select one student to be the late bidder.
- Divide the rest of the class into 10 contractor groups.
- Have each group choose a group leader.
- Pass out packets of instructions to each group or individual.

NOTE TO INSTRUCTOR: This simulation exercise requires approximately 23 students to perform the various roles. However, if your class is smaller, you can assign only one student per contractor group. Remember, if you eliminate contractor groups, you will eliminate some of the processes of sealed bidding. For example, if you eliminate Contractor Group #3 (ABC Grease Co.), you eliminate an area that deals with the Walsh-Healey Public Contracts Act.

The following provides a breakdown of the roles:

• Bid Opening Officer	1 Student
• Recorder	1 Student
• 10 Contractor Groups (2 students per group)	20 Students
• Contractor Group #11 (Late Bidder)	1 Student
	23 Students

SEALED BIDDING-SIMULATION EXERCISE

INSTRUCTIONS FOR THE BID OPENING OFFICER AND RECORDER

The Bid Opening Officer shall perform his/her duties during the practical exercise in accordance with Chapter 5. The bids for IFB DABT59-8X-B-0001 will be opened at the time scheduled by the instructor.

The instructor distributed blank SF 1409s to all students for their own bid recording, if desired. When the bid opening is complete, the instructor will provide all students with a completed SF 1409.

Bid opening time will be scheduled by your instructor. The opening usually takes between 30-45 minutes to complete. The Bid Opening Officer is in charge of the class during this time and is responsible for maintaining law and order during the opening.

Prior to bid opening, the Bid Opening Officer and Recorder shall:

Review a copy of the IFB to familiarize themselves with the location of discounts, business size, delivery schedule, prices, and other applicable data.

Obtain from the instructor the bid box and the sealed bids completed by the 10 contractor groups.

Make sure the sealed bids are in numerical order by the number of the contractor group (1 through 10).

Draw the abstract form on the blackboard.

At the time of the bid opening, the Bid Opening Officer shall:

Announce to all present that the time has arrived for bid opening and the bid box is now closed.

Open each bid starting with bid No. 1 first.

Read the bids and any associated problems aloud to the class using the prepared script.

While the bids are being read, the Recorder shall:

Record each bid on the blackboard SF 1409, Abstract of Offers. (Use a copy of the completed abstract as your guide).

BID OPENING OFFICER SCRIPT

BID NO. 1

OPEN THE FIRST BID AND SLOWLY READ THE FOLLOWING

The first bidder is: TEX-GOOD COMPANY
Texarkana, Arkansas

The bid is signed.

Acceptance period is 60 days.

Discounts: 1% for 10 days
2% for 20 days
3% for 30 days

Prices bid are as follows:

Item 0001 (A)	Origin	$2.45 each	$490,000 total
	Dest.	$2.60 each	$520,000 total
Item 0001 (B)	Origin	$2.30 each	$609,776 total
	Dest.	$2.50 each	$662,800 total

TexGood certifies he is a SMALL BUSINESS

TexGood certifies he is a REGULAR DEALER

BID NO. 2

OPEN BID NO. 2 AND READ:

The 2nd bidder is: TRU TEST OIL COMPANY
NEW YORK, N.Y.

The bid is signed.

Acceptance period 60 days.

Discounts: 1%, 20 days; net, 30 days.

Prices bid are as follows:

Item 0001 (A)	Origin	$2.35 each	$470,000 total
	Dest.	$2.47 each	$494,000 total
Item 0001 (B)	Origin	$2.50 each	$662,800 total
	Dest.	$2.72 each	$721,126.40 total

TRU TEST QUALIFIED THEIR BID BY ADDING:

Will not accept an award of less than the entire quantity - "all or none."

TruTest certifies they are <u>not</u> a SMALL BUSINESS

TruTest certifies they are a REGULAR DEALER

BID NO. 3

OPEN THE 3RD BID AND READ:

The 3rd bidder is: ABC GREASE CO.
DEL RIO, TX.

Acceptance Period is 90 days.

Discounts were left blank.

The bid is signed.

Prices bid are as follows:

Item 0001 (A)	Dest.	$2.62 each	$524,000 total
Item 0001 (B)	Dest.	$1.64 each	$434,796.80 total

ABC certifies he is a SMALL BUSINESS

ABC did not complete the Walsh-Healey clause. They attached a letter signed by the President stating:

"We are not presently a dealer or a manufacturer of this type grease. However, we are willing to organize a company in the event an award is made to us. We do not presently have an idle plant but are willing to acquire and set up a new plant for the benefit of the armed services."

BID NO. 4

OPEN THE 4TH BID AND READ:

The 4th bidder is: ROBERT & SONS
DOVER, DELAWARE

Acceptance period was changed to read 70 days.

Discounts: 2%, 20 days; net, 30 days.

The bid is signed.

Prices bid are as follows:

Item 0001 (A)	Origin	$2.580 each	$516,000 total
	Dest.	$2.600 each	$520,000 total
Item 0001 (B)	Origin	$2.600 each	$689,312.00 total
	Dest.	$2.612 each	$692,493.44 total

ROBERT & SONS certify they are a SMALL BUSINESS.

Robert & Sons certify they are a manufacturer.

Robert & Sons certify they have employed or retained a person or company to solicit or obtain this contract and have agreed to pay compensation resulting from this award.

NOTE TO BID OPENING OFFICER: ACT AS IF YOU ARE LOOKING FOR A LETTER IN THIS BID. THEN READ:

Robert & Sons did not provide a completed SF 119 or any signed statement.

BID NO. 5

OPEN THE 5TH BID AND READ:

The 5th bidder is: BUTLER OIL COMPANY
SYRACUSE, N.Y.

Acceptance period is 60 days.

Discounts are: 2%, 10 days
1%, 20 days
1/2%, 30 days

The bid is signed.

Prices bid are as follows:

Item 0001 (A)	Origin	$2.582 each
	Dest.	$2.591 each
Item 0001 (B)	Origin	$2.594 each
	Dest.	$2.603 each

Unit prices were not extended to show total prices.

Under Section F: Butler has proposed a delivery schedule as follows:

Item 0001 (A)	30,000	180 days
	70,000	270 days
	100,000	460 days
Item 0001 (B)	150,000	180 days
	55,040	270 days
	60,000	460 days

Butler certifies they are a SMALL BUSINESS

Butler certifies they are a MANUFACTURER

BUTLER has attached a signed affidavit to their bid identifying Duval Manufacturing Company and McRae Company as affiliates of the Butler Oil Company.

Butler has also attached a letter specifying the division of work between the two plants as follows:

60% to Duval
40% to McRae

BID NO. 6

OPEN THE 6TH BID AND READ:

The 6th bidder is: CASCO, INCORPORATED
ALLENTOWN, PA.

Casco has offered a 60 day acceptance period.

Discounts section was left blank.

The bid is signed.

Prices bid are as follows:

Item 0001 (A)	Dest.	$2.583	$516,600.00 total
Item 0001 (B)	Dest.	$2.601	$689,577.12 total

No origin prices were bid.

Casco certifies they are a SMALL BUSINESS.

Casco certifies they are a REGULAR DEALER.

Attached to their bid is a letter signed by their president stating:

"In the event I am the successful bidder, I will not allow Mr. John Q. Jones, QAR from DCASR Philadelphia, PA., admittance to my plant."

BID NO. 7

OPEN THE 7TH BID AND READ:

The 7th bidder is: LIFETIME GREASE CO.
ASHLAND, NORTH CAROLINA

Lifetime is offering a 60 day acceptance period.

Discounts are: 2%, 20 days
1%, 30 days

The bid is signed.

Prices bid are as follows:

Item 0001 (A)	Origin	$2.25
	Dest.	$2.58
Item 0001 (B)	Origin	$2.25
	Dest.	$2.58

Unit prices were not extended to show total prices.

Lifetime qualified their bid as follows:

Will not accept an award of less than the total quantity. Acceptance of award is dependent upon receiving an award from the Navy for a similar item. The Navy's award decision will be made within 5 days.

Lifetime certifies they are a SMALL BUSINESS.

Lifetime certifies they are a MANUFACTURER.

BID NO. 8

OPEN THE 8TH BID AND READ:

The 8th bidder is: ACE OIL AND GREASE COMPANY
WESTCHESTER, PENNSYLVANIA

Acceptance time is 60 days.

Discounts are: 2%, 20 days
1%, 30 days

ACE did not sign their bid.

Prices bid are as follows:

Item 0001 (A)	Origin	$2.590
	Dest.	$2.605
Item 0001 (B)	Origin	$2.598
	Dest.	$2.630

Unit prices were not extended to show total prices.

ACE is proposing the following delivery schedule:

0001 (A)	200,000 lbs.	200 days
0001 (B)	265,120 units	200 days

ACE identifies in their bid that their plant is the Royal Dutch Shell of the Netherlands and located in the West Indies.

ACE certifies they are not a SMALL BUSINESS.

ACE certifies they are a MANUFACTURER.

ACE identifies the grease offered is made in Venezuela.

ACE has attached a signed letter from their president stating:

"Attached for your consideration is a copy of the ACE Oil & Grease Co. offer submitted in response to your IFB."

BID NO. 9

OPEN THE 9TH BID AND READ:

The 9th bidder is: CENTURY INC.
HENRICO, VA

Acceptance time is 45 days.

Discounts are: 3.5%, 10 days
3%, 20 days
1%, 30 days

The bid is signed.

Prices bid are as follows:

Item 0001 (A)	Dest.	$2.50	$500,000.00 total
Item 0001 (B)	Dest.	$2.52	$668,102.40 total

Century did not bid origin.

Century qualified their bid as follows:

"As we consider Military Specification MIL-G-3545C(MR) overstates your requirement, we are offering our standard commercial aircraft grease, type T-13, in lieu of the military type. We have supplied this item for many years to the Richmond airport servicing company with no complaints. You will find this type less expensive and we ensure you much greater customer satisfaction."

Century is a SMALL BUSINESS

Century is a REGULAR DEALER

BID NO. 10

OPEN BID NO 10 AND READ:

The 10th bidder is: FOREVER
DALE CITY, FL.

Forever is offering a 60 day acceptance period.

Their prompt payment discounts are: 2%, 20 days
1%, 30 days

The bid is signed.

0001 (A)	Dest.	$.26	$52,000 total
0001 (B)	Dest.	$.25	$66,270 total

Forever did not bid origin prices.

Forever is a SMALL BUSINESS.

Forever is a REGULAR DEALER.

INVITATION FOR BID

SIMULATION EXERCISE

24 PAGES

EACH STUDENT HAS A FILL-IN-THE-BLANK COPY OF THE SOLICITATION IN LESSON 5, CLASSROOM MATERIALS (FOLLOWING PAGE CM 5-11) TO USE IN MAKING AN OFFER WITH RESPECT TO THE ASSIGNED COMPANY/CORPORATION FOR THE EXERCISE.

SOLICITATION, OFFER AND AWARD	1. This contract is a rated order under DPAS (15 CFR 360) ▶	Rating DO-C9	Page 1 of 24

2. Contract No.	3. Solicitation No.	4. Type of Solicitation	5. Date Issued	6. Requisition/Purchase No.
	DABT59-8X-B-0001	☐ Sealed Bid (IFB) ☐ Negotiated (RFP)	5/18/90	678

7. Issued By Code	8. Address Offer To (If other than Item 7)
Contracting Division Army Depot New Cumberland, PA 17070	SAME

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and 0 copies for furnishing the supplies or services in the Schedule will be received at the place speci-fied in Item 8, or if hand-carried, in the depository located in Bldg 1, Room 6 until 9:35 AM time 8/8/90 date.
CAUTION--LATE Submissions, Modifications, and Withdrawals: See Section L. Provision No. 52.214-7 or 52.215-10. All offers are subject to all terms and conditions contained in this solicitation.

10. For Information Call: ▶	A. Name	B. Telephone No. (Area code) (NO COLLECT CALLS)
	Robert E. Jones	202-922-7771

11. Table of Contents

X	SEC.	DESCRIPTION	PAGE(S)	X	SEC.	DESCRIPTION	PAGE(S)
		PART I - The Schedule				**PART II - Contract Clauses**	
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	3
X	B	Supplies or Services and Prices/Costs	1			**PART III - List of Documents, Exhibits and other Attachments**	
X	C	Desc./Specs/Work Statement CID	1		J	List of Attachments	
X	D	Packaging and Marking	1			**PART IV - Representations and Instructions**	
X	E	Inspection and Acceptance	1	X	K	Representations, Certifications and Other Statements of Offerors	8
X	F	Deliveries or Performance	2				
	G	Contract Administration Data		X	L	Instructions., Conditions., and Notices	6
	H	Special Contract Requirements		X	M	Evaluation Factors for Award	2

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16

12. In compliance with the above, the undersigned agrees, if this offer is accepted within ____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. Discount for Prompt Payment (See Section I, Clause No. 52.232-8 ▶	10 Calendar Days %	20 Calendar Days %	30 Calendar Days %	Calendar Days %
14. Acknowledgment of Amendments (The offeror acknowledges receipt of amendments to the Solicitation for offerors and related documents numbered and dated)	Amendment No. / Date	Amendment No. / Date	Amendment No. / Date	Amendment No. / Date

15A. Name and Address of Offeror	Code ☐ Facility ☐	16. Name and Title of Person Authorized to sign Offer (Type or Print)
15B. Telephone No. (Include area code)	☐ 15C. Check if Remittance address is different from above. Enter such address in schedule.	17. Signature / 18. Offer Date

AWARD (To be completed by Government)

19. Accepted as to items numbered	20. Amount	21. Accounting and Appropriation

22. Authority for using other than FAOC ☐ 10 USC 2340(c) ☐ 41 USC 253(c)	23. Submit invoices to address shown in (4 copies unless otherwise specified) ▶	Item
24. Administered by (If other than Item 7) Code ☐	25. Payment will be made by Code ☐	
26. Name of Contracting Officer	27. United States of America (Signature of Contracting Officer)	28. Award Date

IMPORTANT -- Award will be made on this form, or on SF 26, or by other authorized official written notice.

CONTINUATION SHEET	Reference No. of Document Being Continued DABT59-8X-B-0001	Page 2 of 24

Name of Offeror or Contractor

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	NSN: 2900-01-543-7247 NOUN: Grease, Aircraft, High-Temp. IAW MIL-G-3545C(MR) dated 31Mar69. PRON: AA-3-35760-AA-AA-01 MIPR/CUST ORDER: N/A Packaging, Packing, and Marking: MIL-STD-290 Quantity variation: Over none Under none FOB: Origin Destination				
0001(A)	DOC NO: D56HV2-3234-0012 IPD: 8 Ship to: W25G1U Transportation Officer New Cumberland Army Depot New Cumberland, PA 17070 Mark for: W25G1U	200,000 FOB Origin FOB Destination	lb	$_____ $_____	$_____ $_____
0001(B)	DOC NO: D56HV2-3234-0013 IPD: 8 Ship to: W45G19 Transportation Officer Red River Army Depot Texarkana, TX 75501 Mark for: W45G19	265,120 FOB Origin FOB Destination	lb	$_____ $_____	$_____ $_____

NSN 7540-01-152-8087 **50336-101** **Optional Form 336 (4-86)**
Sponsored by GSA
FAR (48 CFR) 53.110

SECTION C

DESCRIPTION/SPEC/WORK STATEMENT

Items required herein shall be IAW MIL-G-3545C(MR) dtd 31 Mar 69

SECTION D

PACKAGING AND MARKING

Packaging, Packing and Marking shall be IAW MIL-STD-290-Packaging, Packing and Marking of Grease and related products.

SECTION E

INSPECTION AND ACCEPTANCE

The clauses are incorporated by reference.

1. 52.246-02 Inspection of Supplies-Fixed Price (July 1985)
2. 52.246-16 Responsibility for Supplies (April 1984)
3. 52.246-14 Inspection of Transportation (October 1976)

At the time of each delivery of supplies and services under this contract, the contractor shall prepare and furnish to the Government a Material Inspection and Receiving Report.

SECTION F

DELIVERIES OR PERFORMANCE

ITEM	FAR NUMBER	TITLE
1.	52.212-1	Time of Delivery (April 1984)

(a) The Government requires delivery to be made according to the following schedule:

REQUIRED DELIVERY SCHEDULE

ITEM NO	QUANTITY (lbs)	WITHIN DAYS AFTER DATE OF CONTRACT
0001 (A)	100,000	180
0001 (A)	100,000	270
0002 (B)	155,040	180
0002 (B)	55,040	270
0002 (B)	55,040	360

The Government will evaluate equally, as regards time of delivery, offers that propose delivery of each quantity within the applicable delivery period specified above. Offers that propose delivery that will not clearly fall within the applicable required delivery period specified above, will be considered nonresponsive and rejected. The Government reserves the right to award under either the required schedule or the proposed delivery schedule, when an offeror offers an earlier schedule than required above. If the offeror proposes no other delivery schedule, the required delivery schedule above will apply.

OFFEROR'S PROPOSED DELIVERY SCHEDULE

ITEM NO	QUANTITY (lbs)	WITHIN DAYS AFTER DATE OF CONTRACT
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed, or otherwise furnished to the successful offeror, results in a binding contract. The Government will mail or otherwise furnish to the offeror an award or notice of award not later than the day award is dated. Therefore, the offeror should compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails. However, the Government will evaluate an offer that proposes delivery based on the Contractor's date of receipt of the contract or notice of award by adding five days for delivery of the award through the ordinary mails. If, as so computed, the offered delivery date is later than the required delivery date, the offer will be considered nonresponsive and rejected.

2. Shipping Addresses
See OF 336

3. 52.247-60 Guaranteed Maximum Shipping Weights and Dimensions Alternate I (April 1984)

(a) Each offer will be evaluated to the destination specified by adding to the f.o.b. origin price all transportation costs to said destination. The guaranteed maximum shipping weights and dimensions of the supplies are required for determination of transportation costs. The offeror is requested to state weights and dimensions as part of the offer. If separate containers are to be banded and/or skidded into a single unit, details must be described. If delivered supplies exceed the guaranteed maximum shipping weights or dimensions, the contract price shall be reduced by an amount equal to the difference between the transportation costs computed for evaluation purposes based on offeror's guaranteed maximum shipping weights or dimensions and the transportation costs that should have been used for offer evaluation purposes based on correct shipping data.

(b) If the offeror fails to state guaranteed maximum shipping weights and dimensions for the supplies as requested, the Government will use the estimated weights and dimensions, below, for evaluation, and the Contractor agrees this will be the basis for any reduction in contract prices in this clause. The Government's estimated weights (and dimensions, if applicable) are as follows: 25 lb containers - total maximum shipping weight 465,120 lbs.

4. 52.212-10 Delivery of Excess Quantities of $100 or Less (April 84)

5. 52.247-29 F.O.B. Origin (June 1988)

6. 52.247-34 F.O.B. Destination (April 1984)

SECTION G

CONTRACT ADMINISTRATION

Not applicable.

SECTION H

SPECIAL CONTRACT REQUIREMENTS

Not applicable.

PART II

SECTION I

CONTRACT CLAUSES

The following clauses are incorporated by reference. Upon request, the Contracting Officer will make the full text available.

1.	52.214-26	Audit-Sealed Bidding (April 1985)
2.	52.214-27	Price Reduction for Defective Cost or Pricing Data Modifications-Sealed Bidding (April 1985)
3.	52.214-28	Subcontractor Cost or Pricing Data Modifications-Sealed Bidding (April 1985)
4.	52.214-29	Order of Precedence — Sealed Bidding (January 1986)
5.	52.202-01	Definitions (April 1984)
6.	52.203-05	Covenant Against Contingent Fees (April 1984)
7.	52.203-07	Anti-Kickback Procedures (October 1988)
8.	52.243-01	Changes-Fixed-Price (August 1987)
9.	52.203-01	Officials Not to Benefit (April 1984)
10.	52.203-03	Gratuities (April 1984)
11.	52.210-05	New Material (April 1984)
12.	52.210-07	Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property (April 1984)
13.	52.219-08	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (June 1985)
14.	52.219-13	Utilization of Woman-Owned Small Business (August 1986)
15.	52.220-02	Notice of Total Surplus Area Set Aside (April 1984)
16.	52.220-03	Utilization of Labor Surplus Area Concerns (April 1984)
17.	52.220-04	Labor Surplus Area Subcontracting Program (April 1984)

18.	52.222-04	Contract Work Hours and Safety Standards Act-Overtime Compensation General (March 1986)
19.	52.222-20	Walsh-Healey Public Contracts Act (April 1984)
20.	52.222-26	Equal Opportunity (April 1984)
21.	52.222-28	Equal Opportunity Preaward Clearance of Subcontracts (April 1984)
22.	52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans (April 1984)
23.	52.222-36	Affirmative Action for Handicapped Workers (April 1984)
24.	52.223-02	Clean Air and Water (April 1984)
25.	52.225-03	Buy American Act-Supplies (April 1984)
26.	52.225-09	Buy American Act/Trade Agreements Act/Balance of Payments Program (May 1986)
27.	52.229.03	Federal, State, and Local Taxes (April 1984)
28.	52.232-01	Payments (April 1984)
29.	52.232-09	Limitation on Withholding of Payments (April 1984)
30.	52.232-11	Extras (April 1984)
31.	52.232-16	Progress Payments (August 1987)
32.	52.232-17	Interest (April 1984)
33.	52.232-23	Assignment of Claims (January 1986)
34.	52.233-01	Disputes (April 1984)
35.	52.233-03	Protest After Award (June 1985)
36.	52.242-12	Report of Shipment (REPSHIP) (April 1984)
37.	52.244-01	Subcontracts Under Fixed Price Contracts (January 1986)
38.	52.248-01	Value Engineering (April 1984)

39.	52.249-02	Termination for Convenience of the Government (Fixed-Price) (April 1984)
40.	52.249-08	Default (Fixed-Price Supply and Service) (April 1984)
41.	52.232-08	Discounts for Prompt Payment (July 1985)
42.	52.252-04	Alterations in Contract (April 1984)
43.	52.209-02	Qualified Products, Components of End Items (July 1985)

PART III

SECTION J

DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

None.

PART IV

SECTION K

REPRESENTATIONS, CERTIFICATES, AND OTHER STATEMENTS OF BIDDERS

1. 52.214-02 TYPES OF BUSINESS ORGANIZATION — SEALED BIDDING (July 1987)

The bidder, by checking the applicable box, represents that it operates as / / a corporation incorporated under the laws of the state of. . . . . , / / an individual, / / a partnership, / / a nonprofit organization, or / / a joint venture.

2. 52.214-14 PLACE OF PERFORMANCE — SEALED BIDDING (April 1984)

(a) The bidder, in the performance of a contract resulting from this solicitation, / / intends, / / does not intend (check applicable box) to use one or more plants or facilities located at a different address from the address of the bidder as indicated in this bid.

(b) If the bidder checks “intends” in paragraph (a) above, it shall insert in the spaces provided below the required information:

Place of Performance (Street Address, City, County, State, ZIP)	Name and Address of Owner and Operator of the Plant or Facility if Other than Bidder.
_____	_____
_____	_____
_____	_____

3. 52.214-16 MINIMUM BID ACCEPTANCE PERIOD (April 1984)

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the Government for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The Government requires a minimum acceptance period of 60 calendar days.

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the Government's minimum requirement.

The bidder allows the following acceptance period:. . . . . calendar days.

(e) A bid allowing less than the Government's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

4. 52.203-02 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (April 1985)

(a) The offeror certifies that -

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose or restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory —

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above. . . . . (<u>insert full name or person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization</u>);

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above, and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraph (a)(1) through (a)(3) above.

(c) If the offeror deletes or modifies subparagraph (a)(2) above, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

5. 52.203-04 CONTINGENT FEE REPRESENTATION AND AGREEMENT (April 1984)

(a) Representation. The offeror represents that, except for full-time bona fide employees working solely for the offeror, the offeror-

(Note: The offeror must check the appropriate boxes. For interpretation of the representation, including the term "bona fide employee," see Subpart 3.4 of the Federal Acquisition Regulation.)

(1) / / has, / / has not employed or retained any person or company to solicit or obtain this contract; and

(2) / / has, / / has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) Agreement. The offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer-

(1) A completed Standard Form 119, Statement of Contingent or Other Fees (SF 119) or

(2) A signed statement indicating that the SF 119 was previously submitted to the same contracting office, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

6. 52.214-08 PARENT COMPANY AND IDENTIFYING DATA (April 1984)

(a) A "parent" company, for the purpose of the provision, is one that owns or controls the activities and basic business policies of the bidder. To own the bidding company means that the parent company must own more than 50 percent of the voting rights in that company. A company may control a bidder as a parent even though not meeting the requirement for such ownership if the parent company is able to formulate, determine, or veto basic policy decisions of the offeror through the use of dominate minority voting rights, use of proxy voting, or otherwise.

(b) The bidder / / is, / / is not (check applicable box) owned or controlled by a parent company.

(c) If the bidder checked "is" in paragraph (b) above, it shall provide the following information:

Name and Main Office Address of Parent Company (include ZIP)	Parent Company's/ Employer's Identification Number
_____	_____

(d) If the bidder checked "is not" in paragraph (b) above, it shall insert its own Employer's Identification Number on the following line. . . .

_____

7. 52.219-01 SMALL BUSINESS CONCERN REPRESENTATION (May 1986)

The offeror represents and certifies as part of its offer that it / / is, / / is not a small business concern and that / / all, / / not all supplies to be furnished will be manufactured or produced by a small business concern in the United States, its possessions, or Puerto Rico. "Small Business Concern," as used in this provision, means 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 size standards in this solicitation.

8. 52.219-02 SMALL BUSINESS DISADVANTAGED CONCERN REPRESENTATION (April 1984)

(a) Representation. The offeror represents that it / / is, / / is not a small disadvantaged business concern.

(b) Definitions.

"Asian-Indian American," used in this provision, means a United States citizen whose origins are in India, Pakistan, or Bangladesh. "Asian-Pacific American," as used in this provision, means a United States citizen whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the US Trust Territory of the Pacific Islands, the Northern Mariana Islands, Laos, Cambodia, or Taiwan.

"Native Americans," as used in this provision, means American Indians, Eskimos, Aleuts, and native Hawaiians.

"Small Business Concern" as used in this provision, means 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 123 CFR 121. "Small Disadvantaged Business Concern," as used in this provision, means a small business concern that (1) is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock owned by one or more socially and economically disadvantaged individuals and (2) has its management and daily business controlled by one or more such individuals.

(c) Qualified groups. The offeror shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Indian Americans, and other individuals found to be qualified by the SBA under 13 CFR 124.1.

9. 52.219-03 WOMEN-OWNED SMALL BUSINESS REPRESENTATION (April 1984)

(a) Representation. The offeror represents that it / / is, / / is not a woman-owned small business concern.

(b) Definitions.

"Small Business Concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominate 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 121.

"Woman-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are US citizens and who also control and operate the business.

10. 52.222-19 WALSH-HEALEY PUBLIC CONTRACTS ACT REPRESENTATION (April 1984)

The offeror represents as a part of this offer that the offeror is / / is not / / a regular dealer or is / / is not / / a manufacturer of, the supplies offered.

11. 52.222-21 CERTIFICATION OF NONSEGREGATED FACILITIES (April 1984)

(a) "Segregated Facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(b) By the submission of this offer, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.

(c) The offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will—

(1) Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;

(2) Retain the certifications in the files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certification for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATION OF NONSEGREGATED FACILITIES.

A Certificate of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

12. 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (April 1984)

The offeror represents that -

(a) It / / has, / / has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 110925, or the clause contained in Section 201 of Executive Order No. 11114;

(b) It / / has, / / has not, filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

13. 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (April 1984)

The offeror represents that (a) it / / has developed and has on file, / / has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) it / / has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

14. 52.223-01 CLEAN AIR AND WATER CERTIFICATION (April 1984)

The offeror certifies that -

(a) Any facility to be used in the performance of this proposed contract is / /, is not / / listed on the Environmental Protection Agency List of Violating Facilities;

(b) The offeror will immediately notify the Contracting Officer before award, of the receipt of any communication from the Administrator, or a designee of the Environmental Protection Agency, indicating that any facility that the offeror proposes to sue for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

(c) The offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

15. 52.225-01 BUY AMERICAN CERTIFICATE (April 1984)

The offeror certifies that each end product, except those listed below, is a domestic end product (as defined in the clause entitled "Buy American Act—Supplies"), and that components of unknown origin are considered to have been mined, produced, or manufactured outside the United States.

Excluded End Products	Country of Origin
_____	_____
_____	_____

(List as necessary)

Offerors may obtain from the contracting officer lists of articles, materials, and supplies excepted from the Buy American Act (listed at 25.108 of the Federal Acquisition Regulation).

16. 52.225-8 BUY AMERICAN ACT — TRADE AGREEMENTS ACT — BALANCE OF PAYMENTS PROGRAM CERTIFICATE (May 1986)

(a) The offeror hereby certifies that each end product, except those listed in paragraph (b) below, is a domestic end product (as defined in the clause entitled "Buy American Act—Trade Agreements Act—Balance of Payments Program") and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States or a designated country as defined in section 25.401 of the Federal Acquisition Regulation.

(b) Excluded End Products:

Line Item Number	Country of Origin
_____	_____
_____	_____
_____	_____

(List as necessary)

(c) Offers will be evaluated by giving certain preferences to "domestic end products" and "designated country end products" over other end products. In order to obtain these preferences in the evaluation of each excluded end product, offerors must identify and certify below those excluded end products that are "designated country end products." Offerors must certify by inserting the applicable line item numbers in the following:

The offeror certifies that the following supplies qualify as “designated country end products” as that term is defined in the clause entitled “Buy American Act—Trade Agreements Act—Balance of Payments Program”:

_____
(Insert line item numbers)

(d) Offers will be evaluated in accordance with Part 25 of the Federal Acquisition Regulation.

SECTION L

INSTRUCTIONS, CONDITIONS AND NOTICES TO BIDDERS

1. 52.214-01 SOLICITATION DEFINITIONS—SEALED BIDDING (July 1987)

“Government” means United States Government
“Offer” means “bid” in sealed bidding
“Solicitation” means an invitation for bids in sealed bidding

2. 52.214-03 AMENDMENTS TO INVITATIONS FOR BIDS (November 1988)

Bidders shall acknowledge receipt of any amendment to this solicitation (a) by signing and returning the amendments, (b) by identifying the amendment number and date in the space provided for this purpose on the form for submitting a bid, or (c) by letter or telegram. The Government must receive the acknowledgement by the time and at the place specified for receipt of bids.

3. 52.214-04 FALSE STATEMENTS IN BIDS (April 1984)

Bidders must provide full, accurate, and complete information as required by this solicitation and its attachments. The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

4. 52.214-05 SUBMISSION OF BIDS (April 1984)

(a) Bids and bid modifications shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation and (2) showing the time specified for receipt, the solicitation number, and the name and address of the bidder.

(b) Telegraphic bids will not be considered unless authorized by the solicitation; however, bids may be modified or withdrawn by written or telegraphic notice, if such notice is received by the time specified for receipt of bids.

5. 52.214-06 EXPLANATION TO PROSPECTIVE BIDDERS (April 1984)

Any prospective bidder desiring an explanation or interpretation of the solicitation, drawings, specifications, etc., must request it in writing soon enough to allow a reply to reach all prospective bidders before the submission of their bids. Oral explanations or instructions given before the award of a contract will not be binding. Any information given a prospective bidder concerning a solicitation will be furnished promptly to all other prospective bidders as an amendment to the solicitation, if that information is necessary in submitting bids or if the lack of it would be prejudicial to other prospective bidders.

6. 52.214-07 LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF BIDS (April 1984)

(a) Any bid received at the office designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it—

(1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of bids (e.g., a bid submitted in response to a solicitation requiring receipt of bids by the 20th of the month must have been mailed by the 15th); or

(2) Was sent by mail (or was a telegraphic bid if authorized), and it is determined by the Government that the late receipt was due solely to mishandling by the Government after receipt at the Government installation.

(b) Any modification or withdrawal of a bid is subject to the same conditions as in paragraph (a) above.

(c) The only acceptable evidence to establish the date of mailing of a late bid, modification, or withdrawal sent either by registered or certified mail is the US or Canadian Postal Service postmark on the wrapper of the original receipt from the US or Canadian Postal Service. If neither postmark shows a legible date, the bid, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression of a postage meter machine impression that is readily identifiable without further action as having been supplied and affixed by employees of the US or Canadian Postal Service on the date of mailing. Therefore, bidders should request the postal clerks to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

7. 52.214-09 FAILURE TO SUBMIT BID (April 1984)

Recipients of this solicitation not responding with a bid should not return this solicitation, unless it specifies otherwise. Instead, they should advise the issuing office by letter or postcard whether they want to receive future solicitations for similar requirements. If a recipient does not submit a bid and does not notify the issuing office that future solicitations are desired, the recipient's name may be removed from the applicable mailing list.

8. 52.214-10 CONTRACT AWARD—SEALED BIDDING (April 1985)

(a) The Government will evaluate bids in response to this solicitation without discussions and will award a contract to the responsible bidder whose bid, conforming to the solicitation, will be most advantageous to the Government considering only price and price-related factors specified elsewhere in the solicitation.

(b) The Government may (1) reject any or all bids, (2) accept other than the lowest bid, and (3) waive informalities or minor irregularities in bids received.

(c) The Government may accept any item or group of items of a bid, unless the bidder qualifies the bid by specific limitations. Unless otherwise provided in the Schedule, bids may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the bidder specifies otherwise in the bid.

(d) A written award or acceptance of a bid mailed or otherwise furnished to the successful bidder within the time for acceptance specified in the bid shall result in a binding contract without further action by either party.

9. 52.214-12 PREPARATION OF BIDS (April 1984)

(a) Bidders are expected to examine the drawings, specifications, Schedule, and all instructions. Failure to do so will be at the bidder's risk.

(b) Each bidder shall furnish the information required by the solicitation. The bidder shall sign the bid and print or type its name on the Schedule and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

(c) For each item offered, bidders shall (1) show the unit price, including, unless otherwise specified, packaging, packing, and preservation and (2) enter the extended price for the quantity of each item offered in the "Amount" column of the Schedule. In case of discrepancy between a unit price and an extended price, the unit price will be presumed to be correct, subject, however, to correction to the same extent and in the same manner as any other mistake.

(d) Bids for supplies or services other than those specified will not be considered unless authorized by the solicitation.

(e) Bidders must state a definite time for delivery of supplies or for performance of services, unless otherwise specified in the solicitation.

(f) Time, if stated as number of days, will include Saturdays, Sundays, and holidays.

10. 52.212-07 NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE USE (May 1986)

Any contract awarded as a result of this solicitation will be a ___ DX rated order; ___ DO rated order certified for national defense use under the Defense Priorities and Allocations System (DPAS) (15 CFR 350), and the Contractor will be required to follow all requirements of this regulation. [Contracting Officer check appropriate box.]

11. 52.232-14 NOTICE OF AVAILABILITY OF PROGRESS PAYMENTS EXCLUSIVELY FOR SMALL BUSINESS CONCERNS (April 1984)

The Progress Payments clause will be available only to small business concerns. Any bid conditioned upon inclusion of a progress payment clause in the resulting contract will be rejected as nonresponsive if the bidder is not a small business concern.

12. 52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE REVIEW (April 1984)

An award in the amount of $1 million or more will not be made under this solicitation unless the offeror and each of its known first-tier subcontractors (to whom it intends to award a subcontract of $1 million or more) are found, on the basis of a compliance review, to be able to comply with the provisions of the Equal Opportunity clause of this solicitation.

13. 52.214-17 AFFILIATED BIDDERS (April 1984)

(a) Business concerns are affiliates of each other when, either directly or indirectly, (1) one concern controls or has the power to control the other, or (2) a third party controls or has the power to control both.

(b) Each bidder shall submit with its bid an affidavit stating that it has no affiliates, or containing the following information:

(1) The names and addresses of all affiliates of the bidder.

(2) The names and addresses of all persons and concerns exercising control or ownership of the bidder and any or all of its affiliates, and whether they exercise such control or ownership as common officers, directors, stockholders holding controlling interest, or otherwise.

14. 52.210-02 AVAILABILITY OF SPECIFICATIONS LISTED IN THE DOD INDEX OF SPECIFICATIONS AND STANDARDS (DODISS) (April 84)

Single copies of specifications cited in this solicitation may be obtained by submitting a written request to the supply point listed below. The request must contain the title of the specification, its number, date, applicable amendment(s), and the solicitation or contract number. In case of urgency, telephone or telegraphic requests are acceptable. Voluntary standards, which are not available to offerors and contractors from Government sources, may be obtained from the organization responsible for their preparation, maintenance, or publication.

Commanding Officer
US Naval Publication and Forms Center
5801 Tabor Avenue
Philadelphia, PA 19120

Telex Number	834295
Western Union Number. . . .	710-670-1685
Telephone Number.	(215) 697-3321

15. 52.247-45 F.O.B. ORIGIN AND/OR F.O.B. DESTINATION EVALUATION (April 1984)

Offers are invited on the basis of both f.o.b. origin and f.o.b. 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 f.o.b. origin only, or f.o.b. destination only, is acceptable, but will be evaluated only on the basis submitted.

16. 52.247-46 SHIPPING POINT(S) USED IN EVALUATION OF F.O.B. ORIGIN OFFERS (April 1984)

(a) If more than one shipping point or plant is designated by the offeror and the offeror fails to indicate the quantity per shipping point or plant before bid opening, the Government will evaluate the offer on the basis of delivery of the entire quantity from the point or plant where cost of transportation is most favorable to the Government.

(b) If the offeror, bid opening (or the closing date specified for receipt of offers) fails to indicate any shipping point or plant, the Government will evaluate the offer on the basis of delivery from the plant at which the contract will be performed, as indicated in the offer. If no plant is indicated in the offer, the offer will be evaluated on the basis of delivery from the Contractor's business address indicated in the offer.

(c) If the offeror uses a shipping point other than that which has been used by the Government as a basis for the evaluation of offers, any increase of transportation costs shall be borne by the Contractor and any saving shall revert to the Government.

17. 52.233-02 SERVICE OF PROTEST (November 1988)

(a) Protests, as defined in Section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the GAO or the GSBCA, shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgement of receipt from Contracting Officer, Contracting Division, Army Depot, New Cumberland, PA 17070.

(b) The copy of any protest shall be received in the office designated above on the same day a protest is filed with the GSBCA or within one day of filing a protest with the GAO.

SECTION M

EVALUATION FACTORS FOR AWARD

1. 52.247-47 EVALUATION—F.O.B. ORIGIN (April 1984)

Land methods of transportation by regulated common carrier are the normal means of transportation used by the Government for shipment within the United States (excluding Alaska and Hawaii). Accordingly, for the purpose of evaluating offers, only these methods will be considered in establishing the cost of transportation between offeror's shipping point and destination (tentative or firm, whichever is applicable) in the United States (excluding Alaska and Hawaii). This transportation cost will be added to the offer price in determining the overall cost of the supplies to the Government. When tentative destinations are indicated, they will be used only for evaluation purposes; the Government having the right to use any other means of transportation or any other destination at the time of shipment.

2. 52.214-22 EVALUATION OF BIDS FOR MULTIPLE AWARDS (April 1984)

In addition to other factors, bids will be evaluated on the basis of advantages and disadvantages to the Government that might result from making more than one award (multiple awards). It is assumed, for the purpose of evaluating bids, that $500 would be the administrative cost to the Government for issuing and administering each contract awarded under this solicitation, and individual awards will be for the items or combinations of items that result in the lowest aggregate cost to the Government, including the assumed administrative costs.

3. 52.232-08 DISCOUNTS FOR PROMPT PAYMENT (July 1985)

(a) Prompt payment discounts will not be considered in the evaluation of offers. However any offered discount will form a part of the award; and will be taken if payment is made within the discount period, indicated in the offer by the offeror. As an alternative of offering a prompt payment discount in conjunction with the offer, offerors awarded contracts may include prompt payment discounts on individual invoices.

(b) In connection with any discount offered for prompt payment, time shall be computed from (1) the date of completion of performance of the services or delivery of the supplies to the carrier if acceptance is at point of origin, or date of delivery of destination or port of embarkation if delivery and acceptance are at either of these points, or (2) the date of proper invoice or voucher is received in the office specified by the Government, if the latter is later than date of performance or delivery. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the date on which a wire transfer was made.

BID PREPARATION INSTRUCTIONS

Students do not have a copy of these instructions. Provide copies of the instructions to the students after you have assigned the bidder groups.

Ensure the instructions are returned upon completion of the bid opening exercise.

BID PREPARATION INSTRUCTIONS: GROUP NO. 1

NAME AND ADDRESS OF FIRM: TEX-GOOD COMPANY
1030 FAR HILLS
TEXARKANA, ARKANSAS 74501

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 1 percent, 10 days; 2 percent, 20 days; 3 percent, 30 days.

c. Fill in blocks 15a, 15b, 15c, 16, 17, and 18.

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.45 - $490,000
	f.o.b. destination	-	2.60 - $520,000
0001(B)	f.o.b. origin	-	2.30 - $609,776
	f.o.b. destination	-	2.50 - $662,800

3. Section F.

a. F.1: leave blank

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check “a corporation under the laws of the State of Arkansas”

b. Provision 2: check “does not intend.”

c. Provision 3: par. (d), leave blank.

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign the bid.

e. Provision 5: check “has not” in both places.

f. Provision 6: check “is not” in (b).

(Continued on next page)

Group No. 1 (Continued)

g. Provision 6: par. (d), insert EI No. 328765.

h. Provision 7: check “is” and “all”

i. Provision 8: check “is not” par (a)

j. Provision 9: check “is not” par. (a)

k. Provision 10: check “is” and “regular dealer”

l. Provision 12: par. (a), “has not”; par. (b), “has not”

m. Provision 13: “has not developed”

n. Provision 14: par. (a), “is not”

o. Provision 15: leave blank

p. Provision 16: leave blank

5 . Notes: Your typist has inverted your intended discount. It should have read 3 percent, 10 days; 2 percent, 20 days; 1 percent, 30 days. When the bid opening official reads your bid as 1 percent, 10 days; 2 percent, 20 days; 3 percent, 30 days, immediately stand up and object that there has been a mistake and insist that it be corrected on the spot to read as you had intended it. Ask that you be allowed to come forward to make and initial the change before any more bids are read.

BID PREPARATION INSTRUCTIONS: GROUP NO. 2

NAME AND ADDRESS OF FIRM: TRU-TEST OIL CO.
23 EAST WHIPPLE ST.
NEW YORK, NEW YORK 10038

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Show a discount as: 1 percent, 20 days; net 30 days.

b. Fill in blocks 15a and 15b (make up phone number); do not check "remittance" block; add DUNS NO. 95-798-321 to block 15a.

c. Fill in blocks 16, 17, and 18; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.35 - $470,000.00
	f.o.b. destination	-	2.47 - $494,000.00
0001(B)	f.o.b. origin	-	2.50 - $662,800.00
	f.o.b. destination	-	2.72 - $721,126.40

b. Put the following note at the bottom of the page:

Will not accept an award of less than entire quantity - "all or none".

3. Section F.

F.1: copy the "Required Delivery Schedule" in the blanks for the "Proposed Delivery Schedule."

4. Section K. Representations, Certifications, and other statements of bidders. Fill in provisions as follows:

a. Provision 1: check " corporation" in the State of New York.

b. Provision 2: check "intends" and in (b) add "5234 Broad St. Manhattan, NY 12345."

c. Provision 3: par. (d), "60" calendar days.

d. Provision 4: par. (b)(2)(i), insert name of person designated as corporation president.

(Continued on next page)

Group No. 2 (Continued)

e. Provision 5: check “has not” in both pars. (a)(1) and (a)(2).

f. Provision 6: par. (b), insert “is” and par. (c) “Tex Oil Co., 2525 Big Ben Drive, Dallas, TX 75555. EI#E2578312.”

g. Provision 7: check “is not” and “not all”

h. Provision 8: check “is not”

i. Provision 9: check “is not”

j. Provision 10: check “is a regular dealer.”

k. Provision 12: check “has” and “has”

l. Provision 13: check “has developed”

m. Provision 14: check “is not”

5. **Notes:** When your bid is read, state that you have not submitted an affidavit concerning affiliates. Because you failed to note the requirement, you will provide it as soon as you return to your office.

BID PREPARATION INSTRUCTIONS: GROUP NO. 3

NAME AND ADDRESS OF FIRM: ABC GREASE CO.
1001 N. MAIN ST.
DEL RIO, TX 76777

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Line out 60 and specify an acceptance period of 90 days.

b. Leave discounts blank.

c. Fill in blocks 15a and 15b (make up phone number); do not check "remittance" block; DUNS NO. 272-341-786 (put in block 15a).

d. Fill in blocks 16 and 17; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	2.620 - $524,000.00
0001(B)	f.o.b. destination	-	1.640 - $434,796.80

b. Do not put any prices for F.O.B. origin.

3. Section F.

F.1: copy the Required Delivery Schedule in the blanks for the "Proposed Delivery Schedule".

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check "a corporation" State of "Texas".

b. Provision 2: check "does not intend."

c. Provision 3: add "90" in par. (d).

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign the bid.

e. Provision 5: check "has not" in both places.

(Continued on next page)

Group No.3 (Continued)

f. Provision 6: check “is not” in par. (b) and insert 144-72-348 in par. (d).

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is”.

i. Provision 9: check “is not”.

j. Provision 10: leave blank.

5 . Notes: Be sure to sign and submit the attached letter with your bid.

(Continued on next page)

Group No. 3 (Continued)

ABC GREASE COMPANY
1001 NO. MAIN STREET
DEL RIO, TEXAS 76777

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

In response to your provision no. 10 in section K of IFB DABT 59- 8X-B-0001 concerning the Walsh-Healey Public Contracts Act, I would like to offer the following information:

We are not presently a dealer or a manufacturer of this type grease. However, we are willing to organize a company in the event an award is made to us and we can be assured of more contracts in the future. We do not presently have an idle plant but are willing to acquire and set up a new plant for the benefit of the armed services.

Looking forward to doing business with you.

Yours Truly,

President

BID PREPARATION INSTRUCTIONS: GROUP NO. 4

NAME AND ADDRESS OF FIRM: ROBERT & SONS
1065 BROADWAY
DOVER, DELAWARE 00011

Please prepare one copy of your bid as follows:

1. **SF33, Offer Section:**

   a. Cross out acceptance period of 60 days and add acceptance period of 70 days.

   b. Show discounts as 2 percent, 20 days; net, 30 days.

   c. Fill in blocks 15a and 15b (make up "phone number") do not check “remittance” block.

   d. Fill in block 16 and 17; put today’s date in block 18. Sign the bid!

2. Section B. Price your bid as follows:

   ITEM

0001(A)	f.o.b. origin	-	2.580 - $516,000.00
	f.o.b. destination	-	2.600 - $520,000.00
0001(B)	f.o.b. origin	-	2.600 - $689,312.00
	f.o.b. destination	-	2.612 - $692,493.44

3. **Section F.**

   a. F.1: leave blank

   b. F.6: leave blank

4. **Section K.** Representations, Certifications, and other statements of bidders. Fill in the provisions as follows:

   a. Provision 1: check “a corporation in the State of Delaware”.

   b. Provision 2: check “does not intend”.

   c. Provision 3: par.(d), insert “70”.

   d. Provision 4: par.(b)(1)(2), insert any name from your group.

   e. Provision 5: check “has” in both places.

(Continued on next page)

Group No. 4 (Continued)

f. Provision 6: par.(b), check “is not”; par.(d), make up “Offeror's Employer Identification No.”

g. Provision 7: check “is”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a manufacturer.

k. Provision 12: check “has” in both places.

l. Provision 13: check “has”.

m. Provision 14: check “is not”.

5. **Notes:** You have forgotten to furnish an SF 119 with your bid. Should you be asked, say that a statement will be submitted immediately, but that you have submitted an SF 119 only last month to the Military Supply Agency in connection with IFB No. 695-X and that the statements in that SF 119 are also applicable to IFB No. DABT59-8X-B-0001.

BID PREPARATION INSTRUCTIONS: GROUP NO. 5

NAME AND ADDRESS OF FIRM: BUTLER OIL CO.
10 ORANGE DRIVE
SYRACUSE, NEW YORK 10001

Please prepare one copy of your bid as follows:

1. **SF33, Offer Section:**

   a. Acceptance time—60 days.

   b. Show discounts as 2 percent, 10 days; 1 percent, 20 days; 1/2 percent, 30 days.

   c. Fill in blocks 15a and 15b (make up "phone no."); do not check “remittance” block

   d. Fill in block 16; sign block 17, put today’s date in block 18. Sign the bid!

2. Section B. Price your bid as follows:

   ITEM

0001(A)	f.o.b. origin	-	2.582
	f.o.b. destination	-	2.591
0001(B)	f.o.b. origin	-	2.594
	f.o.b. destination	-	2.603

3. **Section F.**

   F.1: show the following in the bidder’s Proposed Delivery Schedule:

DAYS:	180	270	460
0001(A)	30,000	70,000	100,000
0001(B)	150,000	55,040	60,000

4. **Section K.** Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

   a. Provision 1: check “corporation” in the State of New York.

   b. Provision 2: check “intends” in par. (a) and insert, “see attached letter”.

   c. Provision 3: leave blank.

(Continued on next page)

Group No. 5 (Continued)

d.	Provision 4:	par. (b)(2)(i), insert name of person designated to sign the bid.
e.	Provision 5:	check “has not” in both places.
f.	Provision 6:	check “is not” and in par. (d), put Employer Identification No. 7773777.
g.	Provision 7:	check “is” and “all”.
h.	Provision 8:	check “is”.
i.	Provision 9:	check “is not”.
j.	Provision 10:	check “is” a manufacturer.
k.	Provision 12:	check “has”in both places.
l.	Provision 13:	“has developed”.
m.	Provision 14:	check “is not”.

5. **Notes:**

a. Sign the attached affidavit, put it in the bid envelope and submit it with your bid.

b. Sign the attached letter, put it in the bid envelope and submit it with your bid.

c. Your firm owns two plants where production is to be performed. At present, the total number of employees working in the New York office and the two plants is fewer than 500.

d. When the bid opening officer reads your delivery schedule, interrupt and state that a mistake has been made. Insist that your delivery schedule should read the same as the required delivery schedule. State that you have working papers to prove it, and that the figures on the bid must have been the result of clerical error. Insist that it be corrected immediately. Persist until the bid opening official refers you to the contracting officer.

(Continued on next page)

Group No. 5 (Continued)

BUTLER OIL COMPANY
10 ORANGE DRIVE
SYRACUSE, NEW YORK 10001

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

In response to paragraph L.13 of your IFB No. DABT59-8X-B-0001, we submit the following affidavit.

AFFIDAVIT

The following firms are affiliates (owned by) of the Butler OIL Company:

Duval Manufacturing Company
6 East Street
Albany, New York 12207

McRae Company
140 East Parkway
Charlottesville, Virginia 22902

I, _____, as president and majority stockholder in Butler Oil Company, am the only individual exercising control/ownership in the companies named. My address is shown in the letterhead.

Sincerely,

President

(Continued on next page)

Group No. 5 (Continued)

BUTLER OIL COMPANY
10 ORANGE DRIVE
SYRACUSE, NEW YORK 10001

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

In response to paragraph K.2 of your IFB, IFB No. DABT59-8X-B-0001, we submit the following:

Sixty percent of the awarded quantity will be manufactured by the Duval Manufacturing Co., 6 East Street, Albany County, Albany, New York 12207. Items produced in this facility will be packed in the plant. The plant has truck loading facilities as well as a rail siding which is serviced by the New York Central Railroad.

Forty percent of the awarded quantity will be manufactured by the McRae Co., 140 East Parkway, Albermarle County, Charlottesville, Virginia 22902. The Items produced in this facility will be packed in the plant. The plant has truck loading facilities, but no rail siding. The nearest rail terminal is the Norfolk and Western Freight Station, 107, 2nd Street, Charlottesville, Virginia, serviced by the Norfolk and Western Railroad. In this connection, see the differential quoted in paragraph F-3 of the invitation for Bids.

Sincerely,

President

BID PREPARATION INSTRUCTIONS: GROUP NO. 6

NAME AND ADDRESS OF FIRM: CASCO INCORPORATED
15 COOK AVENUE
ALLENTOWN, PA 12931

Please prepare one copy of your bid as follows:

1. **SF33, Offer Section:**

   a. Leave an acceptance period of 60 days.

   b. Leave discounts blank.

   c. Fill in blocks 15a and 15b (make up "phone number"); leave “remittance” block blank.

   d. Fill in block 16 and 17; put today’s date in block 18. Sign the bid!

2. **Section B.**

   a. Price your bid as follows:

   ITEM

0001(A)	f.o.b. destination	-	2.583 - $516,600.00
0001(B)	f.o.b. destination	-	2.601 - $689,577.12

   b. Do not put any prices for f.o.b. origin.

3. **Section F.** Don’t fill in any blanks.

4. **Section K.** Representations, Certifications, and other statements of bidders. Fill in the provisions as follows:

   a. Provision 1: check “corporation” in the State of Pennsylvania.

   b. Provision 2: (a) check “does not intend”.

   c. Provision 3: leave blank.

   d. Provision 4: par.(b)(2)(i), insert any name from your group.

   e. Provision 5: check “has not” at (a)(1) and (a)(2).

   f. Provision 6: par.(b), check “is not”.

(Continued on next page)

Group No. 6 (Continued)

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a dealer.

k. Provision 12: check “has” in both places.

l. Provision 13: check “has”.

m. Provision 14: check “is not”.

5. **Notes:** Attach the enclosed letter, signed by the student that signed the bid, to the front of the Invitation for Bid.

Group No. 6 (Continued)

CASCO, INCORPORATED
15 COOK AVENUE
ALLENTOWN, PA 12931

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

Enclosed is my bid in response to IFB No. DABT59-8X-B-0001. In the event I am the successful bidder, I will not allow Mr. John Q. Jones, QAR, from DCASR Philadelphia, Pennsylvania, admittance to my plant.

Sincerely

President

BID PREPARATION INSTRUCTIONS: GROUP NO. 7

NAME AND ADDRESS OF FIRM: LIFETIME GREASE COMPANY
28 TARHEEL RD.
ASHLAND, NORTH CAROLINA 28001

Please prepare one copy of your bid as follows:

1. **SF33, Offer Section:**

   a. Acceptance time—60 days.

   b. Show discounts as 2 percent, 20 days; 1 percent, 30 days.

   c. Fill in blocks 15a and 15b (make up "phone no."); do not check "remittance" block.

   d. Fill in block 16 and 17; put today's date in block 18. Sign the bid!

2. **Section B.**

   a. Price your bid as follows:

   ITEM

0001(A)	f.o.b. origin	-	2.25
	f.o.b. destination	-	2.58
0001(B)	f.o.b. origin	-	2.25
	f.o.b. destination	-	2.58

   b. Do not extend prices.

   c. Place the following at the bottom of the page:

   Will not accept an award of less than the total quantity. Acceptance of award is dependent upon receiving an award from the Navy for a similar item. The Navy's award decision will be made within 5 days.

3. **Section F.**

   F.1: Leave blank.

   F.6: Leave blank.

4. **Section K.** Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

(Continued on next page)

Group No. 7 (Continued)

a. Provision 1: check “corporation” in the State of North Carolina.

b. Provision 2: check “intends”.

c. Provision 3: leave blank.

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign bid.

e. Provision 5: check “has not” in both places.

f. Provision 6: check “is not”;”offeror's Employer Identification No.”; blank.

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a manufacturer.

k. Provision 12: check “has”in both places.

l. Provision 13: "has".

m. Provision 14: check “is not”.

5. **Notes:**

a. Be prepared to defend your bid on the grounds that you are certain to get the Navy award because of your previous history of making this item and the fact you have underbid your competition.

b. As soon as the bid opening official completes the reading of your bid, walk up to the bid opening official and demand to see a copy of the Tru-Test Co’s bid. Persist until you are allowed to look at the bid or are assured that you will be able to examine the bid immediately after the completion of bid opening.

BID PREPARATION INSTRUCTIONS: GROUP NO. 8

NAME AND ADDRESS OF FIRM: ACE OIL & GREASE COMPANY
1030 BROAD STREET
WESTCHESTER, PA 10461

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 2 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15 (make up "phone number"); do not check “remittance” block.

d. Fill in block 16; put today’s date in block 18. Leave block 17 blank—do not sign.

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.590
	f.o.b. destination	-	2.605
0001(B)	f.o.b. origin	-	2.598
	f.o.b. destination	-	2.630

3. Section F.1. Fill in offeror’s proposed delivery schedule as follows:

0001(A)	200,000 lbs.	200 days
0001(B)	265,120 units	200 days

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check “corporation” and fill in Pennsylvania.

b. Provision 2: (a) check “intends” (b) “Antibies West Indies” name “Royal Dutch Shell, Netherlands”.

c. Provision 3: par. (d) leave blank.

d. Provision 4: par. (b)(2)(i) insert any name from your group.

e. Provision 5: check “has not” in both places.

(Continued on next page)

Group No. 8 (Continued)

f. Provision 6: check “is”; make up “Offeror's Employer Idendification No.”; for Shell Oil Co., c/o Hart, Hart & Hart, 73 Maiden Lane, New York, New York.

g. Provision 7: insert “is not”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “manufacturer”.

k. Provision 11: leave blank.

l. Provision 12: par. (a), “has”; par. (b), “has”.

m. Provision 13: “has”.

n. Provision 14: par. (a), “is not”.

o. Provision 15: fill in “Grease; Venezuela”.

p. Provision 16: fill in at (b) “0001; Venezuela”.

5. Notes to the President.

a. In preparing your bid, be sure not to sign the bid document (leave block 17 on SF 33 blank).

b. Have a member of your group list his/her name in block 16 for the President.

c. Have the same person sign the cover letter above the signature block for the President of Ace Oil & Grease Co., and include the letter in the bid envelope. The cover letter is attached.

d. When your bid is read and you discover that the bid document is unsigned, insist on being able to correct it (by applying your (the actual President’s) signature) during the bid opening.

(Continued on next page)

Group No. 8 (Continued)

ACE OIL & GREASE CO
1030 BROAD STREET
WESTCHESTER, PA 10461

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

Attached for your consideration is a copy of Ace Oil & Grease Co.'s offer submitted in response to IFB No. DABT59-8X-B-0001

Sincerely,

President
Ace Oil & Grease Co.
1030 Broad Street
Westchester, PA 10461

BID PREPARATION INSTRUCTIONS: GROUP NO. 9

NAME AND ADDRESS OF FIRM: CENTURY INC.
1465 BAYVIEW
HENRICO, VIRGINIA 23801

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Leave acceptance period of 60 days.

b. Show a discount of 3.5 percent, 10 days; 3 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15 A & B (make up "phone number"); do not check “remittance” block.

d. Fill in blocks 16, and 17; put today’s date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	2.50 - $500,000.00
0001(B)	f.o.b. destination	-	2.52 - $668,102.40

b. Do not put prices for f.o.b. origin.

c. At the bottom of the page, put the following:

As we consider Military Specification MIL-G-3545C(MR) overstates your requirement, we are offering our standard commercial aircraft grease, type T-13 in lieu of the military type. We have supplied this item for many years to the Richmond airport servicing company with no complaints. You will find this type less expensive and we insure you much greater customer satisfaction.

3. Section F. Leave blank.

4. Section K. Representations, Certifications, and other statements of bidders.

a. Provision 1: check “ corporation”, under the laws of the State of Delaware.

b. Provision 2: check “intends”, “leave place of performance blank”, and “owner of Gulf Corp., Wilmington, Delaware.”

c. Provision 3(d): do not fill in.

(Continued on next page)

Group No. 9 (Continued)

d.	Provision 4:	par. (b)(2)(i) insert any name from your group.
e.	Provision 5:	check “has not” in both places.
f.	Provision 6:	check “is”; make up “offeror's Employer Identification No” for Gulf Oil Corp., 1730 Corporate Plaza, Wilmington, Delaware.
g.	Provision 7:	check “is” and “all.”
h.	Provision 8:	check “is not.”
i.	Provision 9:	check “is not.”
j.	Provision 10:	check “regular dealer.”
k.	Provision 11:	leave blank.
l.	Provision 12:	check “has not” in both places.
m.	Provision 13:	check “has not” developed and "does not" have on bill. etc.
n.	Provision 14:	check “is not.”
o.	Provision 15:	leave blank.
p.	Provision 16:	leave blank.

5. **Notes:** none.

BID PREPARATION INSTRUCTIONS: GROUP NO. 10

NAME AND ADDRESS OF FIRM: FOREVER COMPANY
1030 FAR HILLS
DALE CITY, FLORIDA 30001

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Leave acceptance period of 60 days.

b. Show a discount of 2 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15 A & B; (make up "phone number"); do not check "remittance" block.

d. Fill in blocks 16, 17, and 18; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	.26 - $52,000.00
0001(B)	f.o.b. destination	-	.25 - $66,270.00

b. Do not put prices for f.o.b. origin.

3. Section F. Leave blank

4. Section K. Representations, Certifications, and other statements of bidders.

a. Provision 1: check " corporation", under the laws of the State of Florida.

b. Provision 2a: check "intends".

c. Provision 2b: place of performance is "14 Swamp Lane, Disneyland,Florida" and facility is "Sanford & Sons, 14 Swamp Lane, Disneyland, Florida".

d. Provision 3: leave blank.

e. Provision 4: par. (b)(2)(i) insert any name from your group.

f. Provision 5: check "has not" in both places.

(Continued on next page)

Group No. 10 (Continued)

g. Provision 6: par. (b), check “is not”.

h. Provision 7: check “is” and “all”.

i. Provision 8: check “is”.

j. Provision 9: check “is not”.

k. Provision 10: check “is a regular dealer"

l. Provision 11: Leave blank.

m. Provision 12: par. (a) check “has” and par. (b) check “has”.

n. Provision 13: check “has”.

o. Provision 14: par (a), check “is”.

p. Provision 15: leave blank.

q. Provision 16: leave blank.

5. Notes: After your bid has been read and recorded, it will be obvious that your pricing figures to all destinations are unusually low. You will at this time allege a mistake in your bid resulting from an apparent clerical error and ask the bid opening official to authorize you to withdraw your bid. Insist on being allowed to physically retain your bid until the bid opening official refers you to the contracting officer.

BID PREPARATION INSTRUCTIONS: GROUP NO. 11

NAME AND ADDRESS OF FIRM: B AND Z COMPANY
115 MAIN STREET
WESTCHESTER, PA 10461

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 2 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15 A and B (make up "phone number") do not check "remittance" block.

d. Fill in block 16; put today's date in block 18. Leave block 17 blank—do not sign.

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.00
	f.o.b. destination	-	2.10
0001(B)	f.o.b. origin	-	2.00
	f.o.b. destination	-	2.10

3. Section F.1. Fill in offeror's proposed delivery schedule as follows:

0001(A)	200,000 lbs.	200 days
0001(B)	265,120 units	200 days

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check "corporation" and fill in Pennsylvania.

b. Provision 2: (a) check "intends" (b) "Antibies West Indies" name "Royal Dutch Shell, Netherlands".

c. Provision 3: leave blank.

d. Provision 4: par. (b)(2)(i) insert any name from your group.

e. Provision 5: check "has not" in both places.

(Continued on next page)

Group No. 11 (Continued)

f. Provision 6: check “is”; make up “Bidders Employer Identification No.”; for Shell Oil Co., c/o Hart, Hart & Hart, 73 Maiden Lane, New York, New York.

g. Provision 7: insert “is not”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “manufacturer”.

k. Provision 11: leave blank.

l. Provision 12: par. (a), “has”; par. (b), “has”.

m. Provision 13: check “has”.

n. Provision 14: par. (a) check, “is not”.

o. Provision 15: fill in “Grease; Venezuela”.

p. Provision 16: fill in at (b) “0001; Venezuela”.

5. Notes: Your bid will be a late, hand-carried bid. In accordance with FAR 14.304, it will not be accepted. Make a good attempt to convince the Bid Opening officer to accept your late bid. Deliver the Bid about ten minutes after the start of the bid opening. You can make up any story you wish for your lateness, e.g., traffic accident, fell on the stairs, elevator stuck, you were mugged and robbed. Use your creativity. Insist that your bid be accepted! Give up and return to your seat after it becomes very obvious that the Bid Opening officer knows the rules.

COMPLETED SF 1409

ABSTRACT OF OFFERS

Although the students have a completed copy in their classroom materials, make sure they fill out the blank one for this exercise. (Many students may not have looked ahead!!)

During the bid opening, give a copy of this set to the recorder to use as a guide.

TOPIC: 5.3 REQUESTING TIME EXTENSIONS

REF: TR 5-15 through 5-17

OBJECTIVE: To emphasize the importance of the "Firm-Bid Rule" and the "Bid Acceptance Period" in the sealed bidding method of procurement.

TIME: 9:50 a.m.— 25 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-15	5.3.1 Firm-Bid Rule and the Bid Acceptance Period a. "A bid remains in competition until expiration of the acceptance period or rejection of the bid." Show VG 5-11.	
VG 5-11	**FIRM-BID RULE** A bid remains in competition until expiration of the acceptance period or rejection of the bid. VG 5-11	
	b. Application: • In sealed bidding, each bidder is given just one opportunity to win the contract award. • Bidders are not allowed to make changes to their bid prices after the bids have been opened. • Once prices have been revealed, the rights of both the Government and the bidders must be protected. • Bids remain in competition following the bid opening, although one or two bids may stand out as the apparent low bids. • Bids are judged with great scrutiny during the bid acceptance period.	

TOPIC:	5.3.1 FIRM BID RULE AND THE BID ACCEPTANCE PERIOD (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-15	5.3.1 Firm-Bid Rule and the Bid Acceptance Period (Cont.) c. Bidders may specify the number of days they desire in the bid acceptance period. (SF 33 Item 12)	
TR 5-16	• When Item 12 on the SF 33 is left blank in the solicitation, indicating that the Government is allowing the standard sixty (60) days for the bid acceptance period, bidders may request either a longer or shorter period of time for their bids to be considered. • Bidders who request a shorter period (less than 60 days) must realize that their bid will only be considered during the time specified. The bid acceptance period they have chosen cannot be extended. • The Government may establish a longer (more than 60 days) bid acceptance period for any reason. • In these cases, FAR clause 52.214-16 is used in lieu of the standard sixty day clause.	
VG 5-12	• Once a minimum period other than 60 days has been established, all bidders must comply. Any bid offering less than the minimum number of days will be rejected as non-responsive, and will not be considered for award. (Show VG 5-12.)	

TOPIC: 5.3.1 FIRM BID RULE AND THE BID ACCEPTANCE PERIOD (Cont.)

5.3.2 OBTAIN TIME EXTENSIONS

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
	5.3.1 Firm-Bid Rule and the Bid Acceptance Period (Cont.)	
VG 5-12	**BID ACCEPTANCE PERIODS** • Determine whether Government has specified minimum number of days. • Reject bids that offer less than the time specified. VG 5-12	
TR 5-17	5.3.2 Obtain Time Extensions a. Government administrative difficulties, such as mistakes in bids or bid protests encountered after bid opening, may delay contract award beyond bidders' acceptance periods. • Under these circumstances, the several low bidders remaining in competition for the award may be asked to extend their acceptance periods in writing. • This action avoids the need for resoliciting and saves time in the long run. • Verification of time extensions received from the low bidders should be posted.	
	b. The following Interactive Questions on bid acceptance periods are designed to help the students better understand the topics just discussed.	

Firm-Bid Rule and Bid Acceptance Period

In order to help the students understand this topic, use the following example and questions.

You have just received five bids in response to your IFB. One of the conditions in the solicitation was that the Government **specified** a 60 day minimum acceptance period in the clause "Minimum Bid Acceptance Period." (Write this on the chalkboard).

Bidder A specified 90 days.
Bidder B specified 60 days.
Bidder C specified 30 days.
Bidders D & E did not specify a bid acceptance time.

Ask the class:

Of the three bidders who specified a time period, are any of them disqualified?

Bidder A:	No, 90 days exceeds the minimum.
Bidder B:	No, 60 days equals the minimum.
Bidder C:	Yes, 30 days are less than the minimum and cannot be considered any further.
Bidders D & E:	No, by not specifying a time period, these bidders automatically accept the 60 day period.

Suppose there was an administrative delay that would require award beyond 60 days, and even beyond the 90 days offered by Bidder A. What would you do?

You may obtain an extension of time for acceptance from the bidders. (Bidder C has been disqualified). Even though Bidder A and Bidder B specified the number of days for acceptance, they have provided at least the minimum required by the Government and can be asked to extend their acceptance period.

If the low bidder will only extend with an increase in price, can you accept this even if their price remains low?

No!! Any extension of acceptance period covers the price as initially bid. Don't forget, this bidder has seen all the prices and may not use any extension as a way to increase the price. If the bidder cannot extend the bid acceptance period, then the bid cannot be considered beyond the original period.

Suppose the Government had not established any minimum acceptance period, would Bidder C's 30 days be acceptable?

Yes. All bidders are given an opportunity to establish the period of time during which the bid price is offered to the Government. It is up to the Government to make an award within that period should the offeror's price be accepted.

How long a time should the Government be given to accept bids, when neither the Government nor the bidder has specified a period of time?

If a bidder does not specify any period and the Government has not elected to establish a minimum period, 60 days will be used. The bidders may not withdraw their bids during this time. Block 12 on SF 33 is used to identify this period as automatic unless otherwise specified by the bidder.

Can you obtain an extension of the bid acceptance period from Bidders A, B, and C if the Government did not establish the minimum acceptance period?

- Bidders A and B: Yes, you may ask for an extension since they have provided at least the minimum amount of time considered reasonable by the Government (60 days).

- Bidder C: No! If any bidder chooses to offer less than the 60-day "reasonable" period, that bidder may not extend. In essence, the bid was conditioned on acceptance within an "unreasonable" time frame. If the Government "can" award within this period, OK; otherwise, it need only consider those firms willing to provide the 60 day reasonable acceptance period.

TOPIC: 5.4 RESOLVING LATE BIDS

REF: TR 5-17 through 5-19

OBJECTIVE: To describe late bids and list four exceptions to the sealed bidding policy of "late is late."

TIME: 10:15 a.m.— 35 minutes

METHOD: Lecture/Discussion/Case Study

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-17	a. Any bid received after the specified date and time in the IFB is considered late. b. Late bids may be accepted only if one of the following exceptions applies: • The bid was sent by registered or certified mail not later than five calendar days before the specified time and date for receipt of bids. • The bid was sent by mail or authorized telegram, and the CO determines the bid was late because of mishandling by the Government. • A late modification to an otherwise successful bid may be considered at any time, should the modification prove to be more advantageous to the Government. • The bid was sent by U.S. Postal Service Express Mail by next day delivery, no later than 5:00 p.m., two federal working days prior to the bid opening date.	
TR 5-18	c. Late bidders must be notified promptly under the provisions of FAR 52.214-7, 52.214-32 and 14.304-2. • Postmarks and recorded dates of mailing or transmission become critically important in resolving late bids.	
TR 5-19	d. Refer the students back to the vignette at the beginning of Chapter 5 in the TR. Discuss how to handle this particular late bid. Should the late bid be accepted or rejected?	

TOPIC: 5.4 RESOLVING LATE BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
VGs 5-13/14	e. Document the contract file regarding late bids as depicted in VGs 5-13 and 5-14.	

LATE BIDS
(FAR 14.304-4)

Document a late bid with:

- A statement of the date, hour of mailing, filing, or delivery.
- A statement of the date and hour of receipt.

VG 5-13

LATE BIDS (Cont.)
(FAR 14.304-4)

Document a late bid with:

- The determination, including supporting facts, as to whether or not the late bids were considered.
- A statement of the disposition of the late bid.
- The envelope, or other covering, if the late bid was considered for award.

VG 5-14

TOPIC: 5.4 RESOLVING LATE BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-19	f. Unaccepted late bids, late modifications, or late withdrawals are held unopened until after award and then retained with the other unsuccessful bids. g. Return any bid bonds or guarantees to the appropriate bidder.	
CM 5-8	Conduct Case Study 5-1, Late Bids, located at CM 5-8.	
	a. Use the same contractor groups from the simulation exercise. b. Allow 20 minutes to read and discuss with the groups the solution to this case.	

CASE STUDY # 5-1

LATE BID

An IFB was issued on June 1, with the bid opening set for 1:00 p.m. EST July 2nd. Seven bids were received. On June 25, Contractor "A" modified its bid because of an error in the original bid. Contractor "A" mailed the bid correction on June 26 to the contracting activity, which is about 50 miles from Contractor "A's" place of business.

On July 2nd, Contractor "A" attended the bid opening, and when the bids were read, his original bid was read, but not the modified bid. The bid box was checked, and also the mail room, but there was no record of his modified bid being received.

The mail room told the bid opening official that mail had arrived late on July 1st, and was distributed early the following day to the branches. A policy of the contracting activity was not to open mail personally addressed, but to time stamp the envelope and send it to the individual's contracting department. In this case, "A's" letter was addressed to the contracting officer (by name) who was out sick and did not return until July 5th. When she opened her mail, she discovered that "A's" modified bid would be $8,000 lower than the next lowest bid.

The contracting officer asked the mail room why it had not sent the letter to the bid box. The mailroom stated that, other than "A's" return address, there was no indication that bid information was contained in the envelope. The mail had been processed to the Contracting Branch, and the envelope time dated, without opening, according to standard procedure.

Contractor "A" was called and told that his modified bid had been found. He replied, "Good. I am the winner, as I am the lowest bidder—you obviously mishandled my mail and must make the award to me."

QUESTION

Would you make the award to Contractor "A"? Why or Why not?

ANSWER

Yes. Award to Contractor A if otherwise appropriate to do so.

Justification

The bid was sent by mail, was received at the installation on time as indicated by the time/date stamp on the envelope, and was received before award—all of which point to mishandling at the installation. The bid **was not properly identified** as such, but that requirement is not stipulated at FAR Subpart 14.2, or in the solicitation provisions. "A" was not given fair or unfair treatment, and acceptance did not prejudice the rights of the other bidders.

Notes:

FAR 52.214-5, Submission of Bids, states:
"... shall be submitted in sealed envelope or packages addressed to the office specified in the solicitation and showing the time specified for receipt, the solicitation number, and the name and address of the bidder."

Modifications to bids follow the same rules.

Visit Legal for advice. They have COMPGEN decisions on protests to fit many situations.

TOPIC:	5.5 DETERMINING BID RESPONSIVENESS
REF:	TR 5-19 through 5-22
OBJECTIVE:	To explain "responsiveness" and provide examples of nonresponsive bids.
TIME:	10:50 a.m.— 15 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-19	a. A responsive bid is one that conforms to the essential elements and requirements of the IFB. It is the contractor's promise to provide the Government exactly what is being asked for as outlined in the IFB. b. Any bid that fails to conform to the IFB is rejected as being nonresponsive. c. Rejected bids are set aside and are not considered for award. d. Responsive bids undergo evaluation to determine the lowest responsive bidder. e. If there are many bids for a contract, select the apparent low bids first and then determine their responsiveness. This will save time. f. A bid deficiency may not be substantive in nature and can be classified as a minor informality or irregularity. It can still be considered for award as long as the contractor agrees to correct the problem.	
TR 5-20	5.5.1 Examples of Nonresponsive Bids g. Some examples of nonresponsive bids include: • The bid fails to conform to the delivery schedule as specified in the IFB. • The bid offers supplies or services that do not meet the essential requirements of the IFB.	

TOPIC: 5.5 DETERMINING BID RESPONSIVENESS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-20	5.5.1 Examples of Nonresponsive Bids (Cont.) • The bidder adds conditions to his/her bid that are not authorized. • The bid does not provide a clear and unencumbered price. • The bid fails to meet IFB requirements as to timeliness or method of submission. • The bidder may not have accepted all the terms and conditions of the IFB. h. In some instances, a careful analysis of the bid is necessary to determine its responsiveness. In other cases, as in the examples cited above, the determination is very easy.	
TR 5-21	5.5.2 Resolve Minor Informalities and Irregularities. a. Examples of minor deficiencies include failure of the bidder to: • Provide information concerning the total number of employees. • Provide affidavits concerning parent company and affiliates. • Provide certifications for EEO and affirmative action. • Sign the bid (SF 33).	

TOPIC: 5.5 DETERMINING BID RESPONSIVENESS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-21	5.5.2 Resolve Minor Informalities and Irregularities. (Cont.) • Return the proper number of signed copies of the IFB. • Acknowledge receipt of an amendment. b. In certain cases, such as EEO certification where the bidder fails to correct the problem, it may be necessary for the CO to reject the bid. c. If bids are rejected for nonresponsiveness, the bidders are notified in writing of the reasons why.	
TR 5-22	d. In all cases, bidders should at least be given the opportunity to correct minor problems in their bids. **LUNCH BREAK 11:05 A.M.**	

TOPIC:	CASE STUDY 5-3 BID RESPONSIVENESS
REF:	CM 5-15 Simulation Exercise
OBJECTIVE:	To allow bidder groups 1-10 the opportunity to judge their own responsiveness.
TIME:	12:05 p.m.— 60 minutes
METHOD:	Lecture/Discussion/Participation

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 5-15	a. The students may have their bidder packages back in order for their groups to participate in this exercise. b. The instructor will lead the discussion and ask the appropriate questions that determine responsiveness or nonresponsiveness of each bidder group. c. Groups whose principle issues are based on mistakes or responsibility will have thorough coverage on Thursday. d. All students may contribute to each group's findings following an initial analysis by the bidder group itself.	

THE ISSUES

NOTE TO INSTRUCTOR:

To help facilitate this exercise, you may elect to reporduce "The Isssues" (Pages 5-45-2 through 5-45-4) and give to the students.

A suggestion would be for the groups to make a decision as to responsiveness. Later when covering responsibility and mistakes-in-bid, "The Issues" can be revisited.

THE ISSUES

BIDDER 1 TEXGOOD COMPANY

Issues: Discounts: TexGood objected during the bid opening that there had been a mistake. Their typist had inverted the intended discount. It incorrectly read: 1%, 10 day; 2%, 20 days, and 3%, 30 days. It should have read: 3%, 10 days; 2%, 20 days; and 1%, 30 days.

BIDDER 2 TRUTEST OIL COMPANY

Issues: 1. During bid opening, TruTest stated that they did not submit an affidavit concerning affiliates. TruTest offered to provide it as soon as they returned to the office.

2. Conditioned their bid as follows:

"Will not accept an award of less than the entire quantity- all or none."

BIDDER 3 ABC GREASE

Issues: 1. Specified 90 days acceptance period

2. ABC stated in a letter submitted with their bid and signed by their President the following:

"We are not presently a dealer nor a manufacturer of this type of grease. However, we are willing to organize a company in the event an award is made to us and we can be assure of more contracts in the future. We do not presently have an idle plan but are willing to acquire and set up a new plant for the benefit of the armed services."

BIDDER 4 ROBERT & SONS

Issue: Forgot to furnish the required SF119 Statement of Contingent or Other Fees. During the bid opening, Robert & Sons advised they had previously submitted one and the statements are still applicable.

BIDDER 5 BUTLER

Issues: **1**. Did not extend their unit prices to show total prices

2. Contract calls for a delivery schedule as follows:

Item	QTY	DAYS
0001A	100,000	180
0001A	100,000	270
0001B	155,000	180
0001B	55,040	270
0001B	55,040	360

Butler offered a proposed delivery schedule as follows:

0001A	30,000	180
0001A	70,000	270
0001A	100,000	460
0001B	150,000	180
0001B	55,040	270
0001B	60,000	460

3. During the bid opening Butler alleged the delivery schedule read was a clerical MISTAKE and has brought working papers to prove it.

BIDDER 6 CASCO

Issues: 1. Did not bid origin.

2. Attached a letter to their bid and was signed by their president stating:

"In the event I am the successful bidder, I will not allow Mr. John Q. Jones, QAR, from DCASR Philadelphia, Pennsylvania admittance to my plant."

BIDDER 7` LIFETIME

Issues: 1. Unit prices were not extended to show total prices

2. Stipulated in their bid the following:

"Will not accept an award of less than the total quantity."

3. Also stipulated in their bid the following:

"Acceptance of award is dependent upon receiving an award from the Navy for a similar item. The Navy's award decision will be made within 5 days."

BIDDER 8 ACE OIL & GREASE COMPANY

Issues: 1. Did not sign SF 33. Instead attached a cover letter signed by their president submitting their bid in response to this IFB.

2. Did not extend unit prices to show total prices

3. Delivery Schedule was proposed as follows:

0001A	200,000 lbs	200 days
0001B	265,120 units	200 days

BIDDER 9 CENTURY INC.

Issues: 1. Did not bid Origin prices
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2. Condition their bid as follows:

"As we consider Military Specification overstates your requirement. We are offering our standard commercial aircraft grease, type T-13 in lieu of the military type. We have supplied this item for many years to the Richmond airport servicing company with no complaints. You will find this model less expensive and we insure you much greater customer satisfaction."

BIDDER 10 FOREVER

Issues: 1. Did not bid origin prices

2. During bid opening, bidder alleged a mistake in bid was made and that it was a clerical error. They requested to withdraw their bid.

BIDDER 11 B AND Z COMPANY

Issue: B&Z Company's bid was not accepted by the Bid Opening Officer since the time set for receipt of bids had past.

IS THE BIDDER RESPONSIVE?

SEALED BIDDING-SIMULATION EXERCISE QUESTION AND ANSWERS

Instructions: Before you begin this exercise, write the names of the 10 bidders on the board. (Students have a list in the classroom materials, page CM 5-15 - Case study 5-3). As you discuss each bidder, determine the bid to be responsive or nonresponsive.

BIDDER 1 TEXGOOD COMPANY

Issues: Discounts: TexGood objected during the bid opening that there had been a mistake. Their typist had inverted the intended discount. It incorrectly read: 1%, 10 days; 2%, 20 days; and 3%, 30 days. It should have read: 3%, 10 days; 2%, 20 days; and 1%, 30 days.

Does the fact that TexGood is claiming a mistake make them nonresponsive to the solicitation?

Answer: No! TexGood is responsive since the "mistake" is not based on a "promise" to perform.

BIDDER 2 TRUTEST OIL COMPANY

Issues:

1. During bid opening, TruTest stated that it did not submit an affidavit concerning affiliates. TruTest offered to provide it upon return to the office.

2. Conditioned its bid as follows:

   "Will not accept an award of less than the entire quantity - "all or none."

1. Does the failure to submit the affidavit concerning affiliates disqualify the bid? Why or why not?

ANSWER: No! This is a minor informality or irregularity. FAR 14.405(e).

2. Does the "all or none" stipulated disqualify the bid?

ANSWER: No! Not unless a provision is inserted in the IFB stating how the required quantities are to be bid upon. See FAR 14.405-5. In this case, the Method of Award was not based on "aggregate" or "all or none bids."

BIDDER 3 ABC GREASE

Issues:

1. Specified 90 days bid acceptance period.

2. ABC stated in a letter submitted with the bid and signed by their President the following:

"We are not presently a dealer or a manufacturer of this type of grease. However, we are willing to organize a company in the event an award is made to us. We do not presently have an idle plant , but are willing to acquire and set up a new plant for the benefit of the armed services."

1. Does the 90-day bid acceptance period disqualify the bid?

ANSWER: No! Any period is acceptable as long as it is not shorter than the minimum period stated by the Government. If no minimum period is stated, the bidder may offer any period without restriction. IFB (provision) 52.214-16.

2. Since ABC has not yet established itself as a dealer or a manufacturer, is ABC nonresponsive?

ANSWER: No! Responsiveness is based on the bidder's, "promise to perform." Whether a bidder is a dealer or manufacturer does not affect its "promise." Whether a bidder can perform; however, is an issue of responsibility. (This will be discussed at great length on Thursday. Do not turn this exercise into a responsibility lesson!)

BIDDER 4 ROBERT & SONS

Issue: Forgot to furnish the required SF 119 Statement of Contingent or Other Fees. During the bid opening, Robert & Sons advised it had previously submitted the statement which is still applicable.

1. Does the failure to submit a SF 119 disqualify the bid?

ANSWER: No! Minor informality or irregularity. FAR 3.405(b)(2)

2. Would the failure to complete the representation concerning contingent fees on the SF 33 disqualify the bid?

ANSWER: No! Minor informality or irregularity. FAR 3.405(b)(2).

3. Would <u>refusal</u> to provide the representation concerning contingent fees disqualify the bid?

ANSWER: Yes! FAR 3.405(b)(3).

4. Would refusal to provide an SF 119 disqualify the bid?

ANSWER: Perhaps! Chief of Contracting Office decision. FAR 3.407.

BIDDER 5 BUTLER

Issues: 1. Did not extend unit prices to show total prices.

2. Contract calls for a delivery schedule as follows:

Item	QYT	DAYS
0001A	100,000	180
0001A	100,000	270
0001B	155,000	180
0001B	55,040	270
0001B	55,040	360

Butler offered a proposed delivery schedule as follows:

0001A	30,000	180
0001A	70,000	270
0001A	100,000	460
0001B	150,000	180
0001B	55,040	270
0001B	60,000	460

3. During the bid opening Butler alleged the delivery schedule read was a clerical MISTAKE and has brought working papers to prove it.

1. Does not extending the unit prices to show total prices make Butler's bid nonresponsive?

ANSWER: No! Award is based on unit prices. FAR 52.214-12.

2. Does the delivery schedule as proposed by Butler make its bid nonresponsive?

ANSWER: Yes! Butler was not "promising" to give you, the Government, what you asked for: namely, deliveries when you want them in the quantities you need.

3. Butler alleged a clerical mistake was made in the delivery schedule? Should you consider their claim?

ANSWER: No! Reject the bid as nonresponsive. Mistakes can be considered only in a bid that is responsive. FAR 14.404-2(c). The proposed delivery schedule was not responsive to the IFB, therefore, you cannot consider their claim.

BIDDER 6 CASCO

Issues: 1. Did not bid origin.

2. Attached a letter to the bid signed by the company president stating: "In the event I am the successful bidder, I will not allow Mr. John Q. Jones, QAR from DCASR Philadelphia, Pennsylvania, admittance to my plant."

1. CASCO has bid f.o.b. destination only. Does this disqualify the bid?

ANSWER: No! The IFB contains a provision inviting offers on the basis of f.o.b. origin and/or f.o.b. destination. The Government will award on the basis the contracting officer determines to be most advantageous to the Government. An offer made f.o.b. destination only, is acceptable but will be evaluated only on the basis submitted. FAR 52.247-45.

2. CASCO has stated that it will not admit a particular Government inspector to the plant if it is the successful offeror. Does this disqualify this bid? Why or why not?

ANSWER: No! A low bidder may be requested to delete objectionable conditions from his bid provided these conditions do not go to the substance, as distinguished from the form of the bid, or work an injustice on other bidders. A condition goes to the substance of a bid where it affects prices, quantity, quality, or delivery of the items offered. FAR 14.404-2(e).

BIDDER 7 LIFETIME

Issues: 1. Unit prices were not extended to show total prices.

2. Stipulated in its bid the following:

"Will not accept an award of less than the total quantity."

3. Also stipulated in its bid the following:

"Acceptance of award is dependent upon receiving an award from the Navy for a similar item. The Navy's award decision will be made within 5 days."

1. LIFETIME bid "all or none." How would this affect the bid?

ANSWER: "All or none" does not make the bid nonresponsive, but this firm could not receive any award of less than the entire quantity —thus, if it were in line only for award on item 1, it would receive no award at all because of the "All or none" qualification. FAR 14.404-5.

2. LIFETIME failed to extend its prices, does this disqualify the bid?

ANSWER: No! The unit price governs. FAR 52.214-12.

3. This firm is a small business, a qualified manufacturer, and based on past experience does very good work for the Government; it is quite probable that it will get the Navy contract. Should we consider this bid?

ANSWER: No! Lifetime conditioned its bid and it must be rejected as nonresponsive. FAR 14.404-2.

BIDDER 8 ACE OIL & GREASE COMPANY

Issues:

1. Did not sign SF 33. Instead, attached a cover letter signed by the company president submitting the bid in response to this IFB.

2. Did not extend unit prices to show total prices.

3. Delivery Schedule was proposed as follows:

0001A	200,000 lbs	200 days
0001B	265,120 units	200 days

1. What is the effect of the unsigned bid, and does ACE's unsigned bid require rejection of the bid? NO!

ANSWER: An unsigned bid is not necessarily nonresponsive, since it may be determined to be a deviation which goes only to form and not to substance. Failure of a bidder to sign his bid may be a minor informality or irregularity if the bid is accompanied by other material indicating the bidder's intention to be bound by the unsigned offer. ACE's bid does not require rejection since the accompanying cover letter refers to the solicitation document and clearly shows ACE's intent to be bound by the document. The contracting officer may either require the bid document to be signed by the appropriate official of ACE, or waive the requirement as a minor informality. FAR 14.405(c).

2. ACE changed the delivery schedule for the first deliveries from 180 days to 200 days after the award and accelerated the rest of the schedule. Does this make it nonresponsive since it appears to be giving the Government the supplies sooner than required? Yes!

ANSWER: They are nonresponsive because deliveries offered do not meet the minimum stated in Section F of the IFB. Even though it appears this firm is giving us a better deal, it is nonresponsive. FAR 14.404-2(c).

BIDDER 9 CENTURY INC.

Issues:

1. Conditioned the bid as follows:

"As we consider Military Specification overstates your requirement, we are offering our standard commercial aircraft grease, type T-13, in lieu of the military type. We have supplied this item for many years to the Richmond airport servicing company with no complaints. You will find this item less expensive and we insure you much greater customer satisfaction."

1. Is CENTURY nonresponsive by offering a standard commercial product in lieu of the military specification type? Yes!

ANSWER: Bid would be nonresponsive for failure to conform to the IFB specifications since it implied its product does not meet the minimum specifications. FAR 14.404-2(b).

2. Would Century be nonresponsive if it had <u>not</u> included: "As we consider Military Specification overstates your requirement?" Yes!!

ANSWER: Bid would be nonresponsive because it has not "promised to give you what you want," namely, the military type grease. In sealed bidding, Century must provide the minimum requirements. It did not guarantee that the commercial product meets the minimum requirement. If you were to award to Century and later found out the grease was not acceptable, you would be "stuck" since Century told you what it was providing, and you accepted it.

BIDDER 10 FOREVER

Issues: 1. Forever's bid was extremely low compared to all other bids received.

1. Does bidding extremely low prices make a bidder nonresponsive?

ANSWER: NO! Low prices are an issue of whether a bidder "can" perform (responsibility) not whether it promises to perform (responsiveness). By submitting a price, the firm has "promised" to perform.

CASE STUDY 5-3 RESPONSIVENESS

BIDDER	RESPONSIVE	REASON
TEXGOOD	YES	A mistake in discounts does not have an effect on whether a bidder "promises" to perform.
TRUTEST	YES	Bidder can submit affidavit after bid opening (minor irregularity). Also, the IFB did not prohibit "all or none" bids.
ABC GREASE	YES	90 day acceptance period is O.K. since the IFB required a minimum of 60 days. The issue of Type of Business is not an issue of responsiveness.
ROBERT & SONS	YES	Bidders can submit a SF 119 after bid opening.
BUTLER OIL COMPANY	NO	Delivery schedule does not meet the minimum requirements. Butler is not "promising" to do what you want when you want it; therefore the bid is nonresponsive. Bidders may not correct a nonresponsive bid to make it responsive.
CASCO	YES	Bids may be submitted on either FOB points. Also, the stipulation regarding the QAR can be removed after bid opening since this is not an issue of "promising to do what you want when you want it."
LIFETIME	NO	Nonresponsive because you cannot condition your bid on another solicitation. Lifetime is not promising to do what you want when you want it - it is promising to do what it wants, if at all.
ACE	NO	Nonresponsive because delivery schedule was not as required. ACE is not "promising" to do what YOU want when you want it.
CENTURY	NO	Bidders must provide requirements which meet our minimum specifications. The Government is not to be put in a position of "second guessing" the bidder. Century is not providing what YOU want.
FOREVER	YES	Forever has "promised" to give you what you want, even if the price is extremely low. The low price is an issue of "responsibility" - can Forever perform at this price? Even Forever has doubts about being able to perform and has claimed a mistake was made.

TOPIC:	5.6 EVALUATING BID PRICES
REF:	TR 5-23 through 5-47
OBJECTIVE:	To explain in depth the complex process of evaluating bid prices to determine the low, fair and reasonable price.
TIME:	1:05 p.m.— 120 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-23	a. 5.6.1 Identify Price-Related Factors in the Bids. • Section M of the IFB contains the Price-Related Factors. • These factors must be taken into consideration when evaluating bid prices. • The lowest bid showing on the Abstract of Offers may not be the low price after the application of factors. • The apparent "low bid" is not necessarily the "low bid" when all is said and done, and all factors are applied. • The application of factors may impact one or more of a bidder's prices to substantially alter the bottom line.	
TR 5-24	• Examples of Price-Related Factors by category are as follows: - Foreseeable costs or delays to the Government resulting from such factors as differences in inspection, locations of supplies, and transportation. - Changes made or requested by the bidder in any of the IFB provisions, if the change does not constitute grounds for rejection under FAR 14.404.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-24	a. 5.6.1 Identify Price-Related Factors in the Bids. (Examples of Price-Related Factors by Category, Cont.) - Economic advantage of one or multiple awards. - Federal, state and local taxes. - Origin of supplies (e.g. foreign-made vs. U.S.)	
TR 5-25	b. 5.6.1.1 Foreseeable Costs or Delays to the Government. • One of the most common factors is the cost of transportation. - Either F.O.B. origin or F.O.B. destination will affect the final evaluated bid price. - The probable impact of transportation costs on bid prices should be clearly stated in section M of the IFB. (Distances, weight, etc.) • When evaluating bids received by application of the factors, look for final bid prices that are most advantageous to the Government. - The final evaluated bid price may have little relation to a previous apparent low bid.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-25	b. 5.6.1.1 Foreseeable Costs or Delays to the Government. (Cont.) • Other foreseeable costs that constitute price related factors include: - Cost of ownership or life cycle costs. - Cost of lease vs. purchase. - Options on purchases that may escalate or de-escalate costs. - Incremental pricing structures. • The application of price related factors to bid prices must be computed using a dependable, realistic formula for each factor. • Consistency in the application of factors is very important in terms of fairness to the bidders.	
TR 5-26	c. 5.6.1.2 Changes Made or Requested by Bidders. • Generally not done in sealed bidding because any change proposed by the bidder usually results in the bid being nonresponsive. • May be possible if the IFB specifically grants some latitude in the specifications and the change request results in a cost savings to the Government. • Change orders in construction contracts are fairly common and definitely impact cost to the Government.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-26	d. 5.6.1.3 Economic Advantages of Multiple Awards. • Include the provision for multiple awards as a price related factor in Section M of the IFB. • Calculate a standard $500 per contract to cover administrative costs. • The advantage of multiple awards to the Government should be reduced costs in the aggregate.	
TR 5-27	e. 5.6.1.4 Federal, State and Local Taxes. • Under certain circumstances, taxes can be a price-related factor. • Although exempt from most taxes, the Federal Government pays local or state tax on items purchased in certain situations in some states, i.e., Arizona. • Contract prices must include all applicable taxes and duties as required in FAR 52.229-3. f. 5.6.1.5 Origin of Supplies, Foreign-Made vs. Domestic and the Buy American Act. • The Buy American Act requires the acquisition of domestic end products for public use, with some exceptions. • The FAR provision at 52.225-1 and the FAR clause 52.225-3 that reference the Act are included in all IFBs.	

TOPIC: 5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-28	f. 5.6.1.5 Origin of Supplies, Foreign Made vs. Domestic and the Buy American Act. (Cont.)	
VGs 5-17/18	• The Buy American Act Criteria are shown in VG 5-17.	
	• Exceptions to the Buy American Act are shown in VG 5-18.	
	- Additional exceptions fall under the Trade Agreements Act.	

BUY AMERICAN ACT CRITERIA (FAR 25.102)

- Provides for the use of domestic end products.
- To qualify as a domestic end product, the product must be:
  - An unmanufactured end product, mined or produced in the U.S.
  - An end product manufactured in the U.S., if the cost of its components mined, produced, or manufactured in the U.S. exceeds 50% of the cost of all its components.

VG 5-17

TOPIC: 5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
VG 5-18	f. 5.6.1.5 Origin of Supplies, Foreign Made vs. Domestic and the Buy American Act. (Cont.)	
	EXCEPTIONS TO THE BUY AMERICAN ACT (FAR 25.108) • Supplies purchased for use outside of the U.S. • Unreasonable cost of the domestic end product. • Product is not mined, produced, or manufactured in the U.S. in sufficient and reasonably available quantities or satisfactory quality. • Purchasing in the U.S. would not be consistent with the public's best interest. • Commissary resale. • Trade Agreements Act. VG 5-18	
TR 5-28	• The price related factor is the additional percentage of cost added to the price of the foreign item or end product.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-29	g. 5.6.1.5 Origin of Supplies, Foreign Made vs. Domestic and the Buy American Act. (Cont.) - The price of a domestic end product from a large business cannot exceed its foreign competition by more than 6%. (12% if Labor Surplus area). - The price of a domestic end product from a small business cannot exceed its foreign competition by more than 12%. • In essence, the Buy American Act restricts foreign competition.	
TR 5-31	• The Buy American certification at FAR 52.225-2 is used by the bidder to identify products that are not domestic end products. g. 5.6.1.6 The Trade Agreements Act of 1979 • Although complex in its application, there are award fundamentals the CO and contract specialist must be aware of. - The Act provides an exception from the percentile adjustments applicable under the Buy American Act and for the purchase of products produced in designated countries. - The dollar threshold at which the exception currently applies is $182,000. - Bids that fall under the dollar threshold are governed by the Buy American Act.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-31	g. 5.6.1.6 The Trade Agreements Act of 1979 (Cont.) - The exception does not apply for purchases made under small or small disadvantaged business programs. - Other purchases listed as exceptions may be found at FAR 25.403, **<u>such as NAFTA</u>**	
TR 5-32	• Most Governmental agencies, but not all, are covered by the Act. • If the Act is applicable, the FAR provision 52.225-8 and the FAR clause 52.225-9 should be included in the IFB. • Agencies will generally have specific procedures and guidance to ensure compliance with the Act. h. 5.6.1.7 Economic Price Adjustment • In contracting by sealed bidding, there are two possible contract types, FFP (Firm Fixed-Price) and FP-EPA (Fixed Price with Economic Price Adjustment). • The FP-EPA may be used when there is serious doubt about the stability of market conditions during the contract period. • The EPA itself becomes a price-related factor because the Government is granting a degree of price latitude to the contractor to protect his profit margin. The EPA can adjust either way, but an upward move is obviously more costly to the Government.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-32	h. 5.6.1.7 Economic Price Adjustment (Cont.) • EPA limits are established before contract award to protect both the Government and the contractor. • If the IFB anticipates the award of a FP-EPA contract, the EPA clause at FAR 14.407 will be included.	
TR 5-33	• A useful decision table on evaluating bids that include the EPA clause is found at TR 5-33, Exhibit 5-13.	
	i. 5.6.1.8 Discounts • Discounts may not be used to identify the lowest bidder for award. • Quantity discounts, cumulative or non-cumulative, may be accepted by the Government.	
TR 5-34	• Prompt payment discounts offered by a contractor are not to be used as price related factors in the evaluation of bid prices.	
TR 5-35	j. 5.6.1.9 "All or None" Bids • Here, a bidder is conditioning his bid in a gamble to win the entire contract because: - His production costs for delivering several items together may be much less than the total cost of delivering the items individually.	

TOPIC:	5.6.1 IDENTIFYING PRICE-RELATED FACTORS IN THE BIDS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 5-35	f. 5.6.1.9 "All or None" Bids (Cont.) - An "all-or-none" award means the bidder has only one large order to process. • "All-or-none" bids are evaluated differently against definite and indefinite quantity contracts. - The DQ contract compares the evaluated all-or-none bid price against the aggregate laws, with respect to each line item or groups of items, to arrive at the total cost and the overall lowest bidder. - For the IQ contract, since award is being made only on unit prices, it is impossible to know if the all-or-none bid will be the lowest.	
TR 5-36	• The price related factor of multiple awards should also be weighed against the "all-or-none" bid. • In some special cases, the Government may stipulate in the IFB that it reserves the right to award an "All or None" contract. The award then goes to the bidder who submits the lowest aggregate price rather than to numerous bidders who submit minor differences in price for each item.	

TOPIC: 5.6.2 DETERMINING THE EVALUATED PRICE OF EACH BID

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-36	5.6.2 Determine the Evaluated Price of Each Bid a. The "evaluated bid price" is the price that is actually used in evaluating bid prices, one against the other. It is the price used in the competition between bidders to which all price related factors have been applied. b. The CO will evaluate the bids and award the contract to the responsible bidder whose bid, conforming to the IFB, will be most advantageous to the Government, considering only price and price-related factors specified elsewhere in the IFB. c. Note the evaluation exercises at TR 5-37 through 5-39.	

TOPIC: 5.6.2 DETERMINING THE EVALUATED PRICE OF EACH BID (Cont.)

CASE STUDY 5-4 BID EVALUATION

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 5-17	a. Case Study 5-4 Bid Evaluation • Found in the Classroom Materials CM 5-17. • Have the students work independently on this study. Allow 15 minutes to calculate the problem and 15 minutes for discussion. • If time expires, have the students continue the case study as homework. • The case study discussions will continue Thursday morning.	

CASE STUDY #5-4

Mr. Jonas Duke, a Contracting Officer working in an administrative office received a requirement to purchase 750 motors and 250 generators. These were standard commercial items, and the Government specifications were fixed and fully developed. After reviewing the Purchase Request, he asked Gordon Hawes, one of his contract specialists, to give him a brief review of the historical data of previous buys. Mr. Hawes' summary analysis showed the following:

	Past Acquisition(#)	Sources(#)	Price Ranges
Motors	8	14	$52 - $70
Generators	6	8	$125 - $148

Mr. Duke issued an IFB on January 2, 1990. FAR Clause 52.214-22 was included in the solicitation. In response to the solicitation, five companies competed for Item #1, Motors, and five companies for Item #2, Generators. The abstract of bids reflected the following:

	Item #1 Unit Price	Item #2 Unit Price	Remarks
Alert Company	$62.00	$142.00	
Claney, Inc.	$57.00	$136.25	
George & Co.	$55.75	$137.50	All or none
Joiner Company	$56.00	$138.00	2/10 Net 30
Crown Company	$55.80	no bid	2/20 Net 30
Thompson Company	no bid	$134.55	150 Generators Only

QUESTION

To whom should the award be made? Why? (for information purposes, the following provisions are applicable to this solicitation)

52.214-22 Evaluation of Bids for Multiple Awards

In addition to other factors, bids will be evaluated on the basis of advantages and disadvantages to the Government that might result from making more than one award (multiple awards). It is assumed, for the purpose of evaluating bids, that $500 would be the administrative cost to the Government for issuing and administering each contract awarded under this solicitation. It is also assumed that individual awards will be for the items or combinations of items that result in the lowest aggregate cost to the Government, including the assumed administrative costs.

52.214-10 Contract Award - Sealed Bidding

a. The Government will evaluate bids in response to this solicitation without discussions and will award a contract to the responsible bidder whose bid, conforming to the solicitation, will be most advantageous to the Government considering only price and price-related factors specified elsewhere in the solicitation.

b. The Government may (1) reject any or all bids, (2) accept other than the lowest bid, and (3) waive informalities or minor irregularities in bids received.

c. The Government may accept any item or group of items of a bid, unless the bidder qualifies the bid by specific limitation. <u>Unless otherwise provided in the schedule, bids may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the bidder specifies otherwise in the bid.</u>

d. A written award or acceptance of a bid mailed or otherwise furnished to the successful bidder within the time for acceptance specified in the bid, shall result in a binding contract without further action by either party.

ANSWER

Calculations and considerations to determine low bidder.

1. Extend unit prices.
2. No prompt payment discount consideration for evaluation.
3. Evaluation will consider "all or none."
4. "No bid" unit price is acceptable.
5. Administrative cost of $500 is a consideration for each contract awarded.

	750 Motors	250 Generators
Alert Company	$62.00 X = $46,500	$142.00 X = $35,500
Claney, Inc.	$57.00 X = $42,750	$136.25 X = $34,062.50
George & Co.	$55.75 X = $41,812.50	$137.50 X = $34,375
Joiner Company	$56.00 X = $42,000	$138.00 X = $34,500
Crown Company	$55.80 X = $41,850	NO BID
Thompson Company	NO BID	$134.55 X 150 = $20,182.50

Evaluated Bid Prices

For one contract award:

George & Co.
750 Motors @ $ 55.75 = $41,812.50
250 Generators @ $137.50 = $34,375.00
$76,187.50

For two contract awards:

Crown Co.
750 Motors @ $55.80 = $41,850.00

Claney, Inc.
250 Generators @ $136.25 = $34,062.50
$75,912.50

For three contract awards:

Crown & Co.
750 Motors @ $55.80 = $41,850.00

Thompson Co.
150 Generators @ $134.55 = $20,182.50

Claney, Inc.
100 Generators @ $136.25 = $13,625.00
$75,657.50

In summary:

One contract award:	$76,187.50 + $500.00 = $76,687.50
Two contract awards:	$75,912.50 + $1,000.00 = $76,912.50
Three contract awards:	$75,657.50 + $1,500.00 = $77,157.50

Therefore, one contract award in this case would be most favorable to the Government, even though the Government will actually be paying more to George & Co. because of the administrative costs in awarding multiple contracts.

Continue on to case study 5-4 b, time permitting.

8:00 - 8:30 a.m. Thursday is set aside to finish case studies 5 - 4 and 5 - 4b.

(OPTIONAL)

CASE STUDY 5-4b
BID EVALUATION

Using the following changes to Case Study 5-4, identify the lowest bidder:

1. Method of Award: Award shall be made in the aggregate.

2. Method of Award: Award shall be made in the aggregate and:

   Alert is a small business in a labor surplus area.
   Claney is a small business in a non-labor surplus area.
   George & Co. is a large business in a labor surplus area.
   Joiner is a large business in a labor surplus area.
   Crown is a small business in a labor surplus area.
   Thompson is a small business in a non labor surplus area.

3. Method of Award: Award shall be made in the aggregate and:

   Alert is a small business in a labor surplus area.
   Claney is offering products made entirely in Japan.
   George & Co. is offering products made entirely in Australia.
   Joiner is a large business in a non-labor surplus area.
   Crown is a small business in a labor surplus area.
   Thompson is a small business in a non-labor surplus area.

4. Problem No. 3 above is changed:

   Use 2500 motors and 1000 generators .

CASE STUDY 5-4b (OPTIONAL)
BID EVALUATION

(INSTRUCTOR: IT MIGHT BE HELPFUL TO GIVE THE STUDENTS THE EXTENDED PRICES FOR THESE ITEMS.)

Using the following changes to Case Study 5-4, identify the lowest bidder:

1. Method of Award: Award shall be made in the aggregate.

   Bidders Crown and Thompson are disqualified since they did not bid all quantity, all items.

   George & Company is still the winner.

Alert:	$46,000.00 + $35,500.00 = $81,500.00
Claney:	$42,750.00 + $34,062.50 = $76,812.50
George:	$41,812.50 + $34,375.00 = $76,187.50
Joiner:	$42,000.00 + $34,500.00 = $76,500.00

   Evaluation of Multiple Awards is not done when the solicitation requires award in the aggregate.

2. Evaluation of bids between small and large businesses.

Claney		$76,812.50
George	$76,187.50 = $4,571.21 =	$80,758.75

   Claney is the winner.

3. Evaluation of bids between domestic and foreign bids.

   The applicable rule is "Buy American Act" because the dollar thresholds are below the current Trade Agreements Act threshold of $172,000.

Alert's total price is:		$81,500.00
Claney's total evaluated price is:	$76,812.50 + $9,217.50	$86,030.00
George & Co. total evaluated price is:	$76,187.50 + $9,142.50	$85,330.00
Joiner's total price is:	$76,500 + $9,180.00	$85,680.00

ALERT IS THE WINNER. Since the large business domestic firm did not remain low when compared to the small business domestic firm in a labor surplus area, the two foreign bids had to be compared to the small business firm. Hence, 12% is the evaluation factor for all.

4. Evaluation of domestic and foreign bids when the Trade Agreements Act applies.

The evaluated prices are:

Alert:	$ 62.00 X 2500	=	$155,000
	$142.00 X 1000	=	$142,000
	Total:		$297,000
Claney:	$ 57.00 X 2500	=	$142,500
	$136.25 X 1000	=	$136,250
	Total:		$278,750
George:	$ 55.75 X 2500	=	$139,375
	$137.50 X 1000	=	$137,500
	Total:		$276,875
Joiner:	$ 56 X 2500	=	$140,000
	$138 X 1000	=	$138,000
	Total:		$278,000

AND THE WINNER IS: **JOINER.** The dollar value of this contract exceeds the Trade Agreements Act dollar threshold of $172,000. Therefore, the Buy American Act evaluation factors of 6% and 12% are not used.

Although George & Co. is the low evaluated bidder at $276,875, it is not eligible for an award because its products are manufactured in Australia. Australia IS NOT A DESIGNATED COUNTRY.

8:30 a.m. Perform Price Analysis.

TOPIC: 5.6.3 PERFORMING PRICE ANALYSIS

REF: TR 5-40 through 5-43

OBJECTIVE: To ensure that prices offered are fair and reasonable.

TIME: 8:30 a.m.— 15 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-40	a. Now that the evaluated price has been determined, the issue of price reasonableness must be addressed. The lowest bid price is either reasonable, unreasonably low, or unreasonably high.	
VG 5-20	b. Each one of these conditions requires a specific action, as depicted in VG 5-20, Decision Table on Reasonableness of Bid Prices.	
	c. Show VG 5-20 and 5-21 now.	

DECISION TABLE ON REASONABLENESS OF BID PRICES

If the price is:	Then:
Reasonable	Determine whether the bid is from a responsible bidder (See Chapter 7).
Unreasonably low	Determine whether there has been a mistake in bid (See Chapter 6)
Unreasonably high	Reject all bids and cancel the IFB (See Chapter 4)

VG 5-20

TOPIC: 5.6.3 PERFORMING PRICE ANALYSIS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
VG 5-21	**FAIR AND REASONABLE PRICES** What is a fair and reasonable price? • Competition exists • Price acceptable to the buyer • Price acceptable to the seller VG 5-21	
TR 5-40	5.6.3 Perform Price Analysis a. The CO must determine that prices offered are fair and reasonable before awarding the contract. b. Prices will generally be reasonable if the following conditions have been met: • Specifications were not restrictive. • Two or more responsive, responsible bids were received, and no one bidder had a decided advantage. • Bids were submitted independently. • Prices bid did not vary significantly from the expected price, considering market conditions, comparable goods, price histories and the like.	
TR 5-41	c. Price analysis, as applied to sealed bidding, is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit.	

TOPIC: 5.6.3 PERFORMING PRICE ANALYSIS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-41	• A sound price analysis will be based on price comparisons from different sources, current market conditions for the supplies or services being offered, price histories, price surveys, Government cost and price estimates, independent price lists and catalogs, and a comparison of the bid prices received.	
	d. The very nature of sealed bidding brings bids in at competitive and reasonable prices.	
FAR 15.805-2	5.6.3.1 Compare Bid Prices Received	
	a. VG 5-22 presents some Price Analysis techniques applicable to sealed bidding that help in establishing price reasonableness.	
	b. Show VG 5-22.	
VG 5-22	**PRICE ANALYSIS TECHNIQUE** • Compare bid prices received in response to the IFB. • Compare prior proposed prices and contract prices for similar items. • Compare competitive published price lists. • Compare proposed prices with Government price estimates. • Compare "yardstick" evaluations. VG 5-22	

TOPIC: 5.6.3 PERFORMING PRICE ANALYSIS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-42	5.6.3.2 Historical Data Comparisons a. Other agencies can provide substantial information concerning prices and costs. b. Use the CBD to track other offices that might assist in data collection. 5.6.3.3 "Rough Yardstick" Comparisons a. Estimates in contract pricing, i.e., dollars per square foot or dollars per pound. b. Can be useful in detecting gross inconsistencies between comparisons, but should not be used in and of itself to support a determination. 5.6.3.4 Market Comparisons a. Resources such as newspapers, trade journals, market indexes, competitively published price lists, published market prices of commodities, and discount or rebate arrangements can be used to validate assumptions, to identify the need for adjustment, and even to implement adjustments in some cases. b. For some supplies and services, price reasonableness can adjust markedly with seasonal changes.	

TOPIC: 5.6.3 PERFORMING PRICE ANALYSIS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-42	5.6.3.5 Government Estimates a. These can be tricky. It is important to validate the estimate before using it. Who made it and is it current? How does it stack up against earlier estimates? b. Is the estimate based on a sound engineering analysis? Did the information in the estimate come from reliable sources?	

TOPIC:	5.6.4 ACCOUNTING FOR DIFFERENCES BETWEEN THE EXPECTED PRICE AND THE LOWEST PRICE BID
REF:	TR 5-44 through 5-46
OBJECTIVE:	To discover reasonableness between the expected price and the actual low bid.
TIME:	8:45 a.m.— 10 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-44	5.6.4 Accounting for Differences Between the Expected Price and the Lowest Price Bid. a. The expected price the Government should pay can readily be determined using price analysis techniques, but when the expected price varies significantly from the actual low bid, the question is, why? b. The following factors may account for the significant difference between the expected and the actual low bid: • The bidder has a more efficient operation. • The bidder has invested in new technology. • The bidder is using salvageable materials or equipment. • The bidder may not understand the requirement. • Several bidders are in collusion. • The bidder pays lower wages and benefits. • The bidder is willing to take a loss just to get a foot in the door. • The IFB was defective in detailing out the specification. • The Government is in the market at the wrong time. • The Government did not use a FP-EPA contract when it should have. • The IFB was not adequately publicized. • The IFB was on the street for too short a period of time. c. All of the above can help in particular situations to determine price reasonableness.	

TOPIC:	5.6.5 EVALUATING EQUALLY LOW BIDS (TIE)
REF:	TR 5-46 through 5-47
OBJECTIVE:	To explain the breaking of a tie bid.
TIME:	8:55 a.m.— 5 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 5-46	a. The guidelines for breaking a tie bid are located at FAR 14.407-6. Preference is given to small businesses and labor surplus area concerns. b. In the event of a tie, rank bidders in the following priority order for award: • Award to small businesses that are also labor surplus area concerns. • Award to other small businesses. • Award to other businesses that are labor surplus area concerns. • Other businesses. c. The winning bidder must perform within the circumstances used to justify the priority, i.e., operate as a small business in a labor surplus area.	
TR 5-47	d. When two or more bids remain tied after application of the priority system, then lots shall be drawn to break the tie. • At least three people must witness the drawing. • The names of the witnesses and the supervisor of the drawing must be recorded in the contract file along with a description as to how the tie was broken.	

TOPIC:	INTERACTIVE REVIEW QUESTIONS FOR LESSON 5
REF:	CM 5-23
OBJECTIVE:	To review the material in Lesson 5 using interactive review questions.
TIME:	9:00 a.m.— 30 minutes
METHOD:	Discussion/Participation

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 5-23	Interactive Review Questions a. Complete the review questions that follow and then allow the students to have a morning break. b. Class resumes at 9:50 a.m.	

INTERACTIVE REVIEW QUESTIONS

If time permits, use the following questions to review the material in Lesson 5.

1. List the steps to securing bids. TR 5-8

    1. Time stamp bids.
    2. Record receipt in bid log.
    3. Secure in locked bid box or safe with bid log.
    4. Do not open bids.
    5. Provide information to Government employees only on a "need to know" basis.

2. When and how are bids recorded at the bid opening? TR 5-11

    The usual procedure at bid opening is for one person to open the bids and read them aloud, and for another person to write down this information, generally on the SF 1409—Abstract of Offers.

3. Define the firm-bid rule. TR 5-15

    A bid remains in competition until expiration of the acceptance period or rejection of the bid.

4. What do you do with a bid that offers less than the minimum number of days? TR 5-16

    Reject it as nonresponsive.

5. List two exceptions to the sealed bidding policy of "late is late" concerning late bids. TR 5-17

    - The bid was sent by registered or certified mail not later than five calendar days before the specified bid receipt date.
    - The bid was sent by mail (or telegram if authorized) and the Government determines that the bid was late due to mishandling by the Government.
    - A modification to an otherwise successful bid may be considered at any time, if modification would be more favorable to the Government.
    - The bid was sent by U.S. Postal Service Express Mail Next Day Service.

6. What is meant by a nonresponsive bid? List two examples of nonresponsive bids. TR 5-20

    Any bid that fails to conform to the essential requirements of the IFB.

    - The bid fails to conform to the delivery schedule specified in the solicitation.
    - The bid offers supplies or services that do not meet the essential requirements of the solicitation.
    - Other examples are listed in Section 5.5.1 of the T/R.

7. List three price-related factors. TR 5-24

- Foreseeable cost or delays to the Government resulting from such factors as differences in inspection, locations of supplies, and transportation.
- Changes made, or requested by the bidder, in any of the provisions of the IFB, if the change did not constitute grounds for rejection under FAR 14.404.
- Economic advantage of one or multiple awards.
- Other examples are listed in Section 5.6.1 of the T/R.

8. Define “all or none.” State the reasons for an “all or none” condition statement in a bid. TR 5-35

This is a condition that a bidder adds to his/her bid that states that <u>any award</u> will be accepted only if the Government awards to the bidder the entire contract.

Reasons:
Contractor production costs for delivering several items together may be much less than the total cost for delivering the items individually.

An "all or none" award means the bidder has only one large order to process.

BID PREPARATION INSTRUCTIONS: GROUP NO. 1

NAME AND ADDRESS OF FIRM: TEX-GOOD COMPANY
1030 FAR HILLS
TEXARKANA, ARKANSAS 74501

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 1 percent, 10 days; 2 percent, 20 days; 3 percent, 30 days.

c. Fill in blocks 15a, 15b, 15c, 16, 17, and 18.

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.45 - $490,000
	f.o.b. destination	-	2.60 - $520,000
0001(B)	f.o.b. origin	-	2.30 - $609,776
	f.o.b. destination	-	2.50 - $662,800

3. Section F.

a. F.1: leave blank

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check “a corporation under the laws of the State of Arkansas”

b. Provision 2: check “does not intend.”

c. Provision 3: par. (d), leave blank.

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign bid.

e. Provision 5: check “has not” in both places.

f. Provision 6: check “is not” in (b).

Group No. 1 (con't)

g. Provision 6: par. (d), insert EI No. 328765.

h. Provision 7: check "is not" and "all"

i. Provision 8: check "is not" par (a)

j. Provision 9: check "is not" par. (a)

k. Provision 10: check "is" and "regular dealer"

l. Provision 12: par. (a), "has not"; par. (b), "has not"

m. Provision 13: "has not developed"

n. Provision 14: par. (a), "is not"

o. Provision 15: leave blank

p. Provision 16: leave blank

5. **Notes:** Your typist has inverted your intended discount. It should have read 3 percent, 10 days; 2 percent, 20 days; 1 percent, 30 days. When the bid opening official reads your bid as 1 percent, 10 days; 2 percent, 20 days; 3 percent, 30 days, immediately stand up and object that there has been a mistake and insist that it be corrected on the spot to read as you had intended it. Ask that you be allowed to come forward to make and initial the change before any more bids are read.

BID PREPARATION INSTRUCTIONS: GROUP NO. 2

NAME AND ADDRESS OF FIRM: TRU-TEST OIL CO.
23 EAST WHIPPLE ST.
NEW YORK, NEW YORK 10038

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Show a discount as: 1 percent, 20 days; net 30 days.

b. Fill in blocks 15a and 15b (make up phone number); do not check "remittance" block; add DUNS NO. 95-798-321 to block 15a.

c. Fill in blocks 16, 17, and 18; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.35 - $470,000.00
	f.o.b. destination	-	2.47 - $494,000.00
0001(B)	f.o.b. origin	-	2.50 - $662,800.00
	f.o.b. destination	-	2.72 - $721,126.40

b. Put the following note at the bottom of the page:

"Will not accept an award of less than entire quantity - all or none".

3. Section F.

F.1: copy the Required Delivery Schedule in the blanks for the "Proposed Delivery Schedule".

4. Section K. Representations, Certifications, and other statements of bidders. Fill in provisions as follows:

a. Provision 1: check " corporation" in the State of New York.

b. Provision 2: check "intends" and in (b) add "5234 Broad St. Manhattan, NY 12345."

c. Provision 3: par. (d), "60" calendar days.

d. Provision 4: par. (b)(2)(i), insert name of person designated as corporation president.

Group No. 2 (con't)

e. Provision 5: check "has not" in both pars. (a)(1) and (a)(2).

f. Provision 6: par. (b), insert "is" and par. (c) "Tex Oil Co., 2525 Big Ben Drive, Dallas, Tx 75555. EI#E2578312."

g. Provision 7: check "is not" and "not all"

h. Provision 8: check "is not"

i. Provision 9: check "is not"

j. Provision 10: check "is a regular dealer."

k. Provision 12: check "has" and "has"

l. Provision 13: check "has developed"

m. Provision 14: check "is not"

5. **Notes:** When your bid is read, state that you have not submitted an affidavit concerning affiliates. Because you failed to note the requirement, you will provide it as soon as you return to your office.

BID PREPARATION INSTRUCTIONS: GROUP NO. 3

NAME AND ADDRESS OF FIRM: ABC GREASE CO.
1001 N. Main St.
Del Rio, Texas 76777

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Line out 60 and specify an acceptance period of 90 days.

b. Leave discounts blank.

c. Fill in blocks 15a and 15b (make up phone number); do not check "remittance" block; DUNS NO. 272-341-786 (put in block 15a).

d. Fill in blocks 16 and 17; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	2.620 - $524,000.00
0001(B)	f.o.b. destination	-	1.640 - $434,796.80

b. Do not put any prices for F.O.B. origin.

3. Section F.

F.1: copy the Required Delivery Schedule in the blanks for the "Proposed Delivery Schedule".

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check "a corporation" State of "Texas".

b. Provision 2: check "does not intend."

c. Provision 3: add "90" in par. (d).

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign bid.

e. Provision 5: check "has not" in both places.

Group No. 3 (con't)

f. Provision 6: check “is not” in par. (b) and insert 144-72-348 in par. (d).

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is”.

i. Provision 9: check “is not”.

j. Provision 10: leave blank.

5. **Notes:** Be sure to sign and submit the attached letter with your bid.

Group No. 3 (con’t)

ABC GREASE COMPANY
1001 NO. MAIN STREET
DEL RIO, TEXAS 76777

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

In response to your provision no. 10 in section K of IFB DABT 59- 8X-B-0001 concerning Walsh-Healey Public Contracts Act, I would like to offer the following information.

We are not presently a dealer nor a manufacturer of this type of grease. However, we are willing to organize a company in the event an award is made to us and we can be assured of more contracts in the future. We do not presently have an idle plant but are willing to acquire and set up a new plant for the benefit of the armed services.

Looking forward to doing business with you.

Yours Truly,

President

BID PREPARATION INSTRUCTIONS: GROUP NO. 4

NAME AND ADDRESS OF FIRM: ROBERT & SONS
1065 BROADWAY
DOVER, DELAWARE 00011

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Cross out acceptance period of 60 days, add acceptance period of 70 days.

b. Show discounts as 2 percent, 20 days; net 30 days.

c. Fill in blocks 15a and 15b (make up phone number) do not check "remittance" block.

d. Fill in block 16 and 17; put today's date in block 18. Sign the bid!

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.580 - $516,000.00
	f.o.b. destination	-	2.600 - $520,000.00
0001(B)	f.o.b. origin	-	2.600 - $689,312.00
	f.o.b. destination	-	2.612 - $692,493.44

3. Section F.

a. F.1: leave blank

b. F.6: leave blank

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions as follows:

a. Provision 1: check "a corporation in State of Delaware".

b. Provision 2: check "does not intend".

c. Provision 3: par.(d), insert "70".

d. Provision 4: par.(b)(1)(2), insert any name from your group.

e. Provision 5: check "has" in both places.

Group No. 4 (con't)

f. Provision 6: par.(b), check “is not”; par.(d), make up “Offerors E.I. No.”

g. Provision 7: check “is”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a manufacturer.

k. Provision 12: check “has” in both places.

l. Provision 13: check “has”.

m. Provision 14: check “is not”.

5. Notes: You have forgotten to furnish an SF 119 with your bid. Should you be asked, say that a statement will be submitted immediately, but that you have submitted an SF 119 only last month to the Military Supply Agency in connection with IFB No. 695-X and that the statements in that SF 119 are also applicable to IFB No. DABT59-8X-B-0001.

BID PREPARATION INSTRUCTIONS: GROUP NO. 5

NAME AND ADDRESS OF FIRM: BUTLER OIL CO.
10 ORANGE DRIVE
SYRACUSE, NEW YORK 10001

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 2 percent, 10 days; 1 percent, 20 days; 1/2 percent, 30 days.

c. Fill in blocks 15a and 15b (make up phone no.); do not check "remittance" block

d. Fill in block 16; sign block 17, put today's date in block 18. Sign the bid!

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.582
	f.o.b. destination	-	2.591
0001(B)	f.o.b. origin	-	2.594
	f.o.b. destination	-	2.603

3. Section F.

F.1: show the following in the bidder's Proposed Delivery Schedule:

	180	270	460
0001(A)	30,000	70,000	100,000
0001(B)	150,000	55,040	60,000

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check "corporation" in the state of State of New York.

b. Provision 2: check "intends" in par. (a) and insert, "see attached letter".

c. Provision 3: leave blank.

Group No. 5 (con't)

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign bid.

e. Provision 5: check “has not” in both places.

f. Provision 6: check “is not” and in par. (d), put E.I.7773777.

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a manufacturer.

k. Provision 12: check “has”in both places.

l. Provision 13: “has developed”.

m. Provision 14: check “is not”.

5. Notes:

a. Sign the attached affidavit, put it in the bid envelope and submit it with your bid.

b. Sign the attached letter, put it in the bid envelope and submit it with your bid.

c. Your firm owns two plants where production is to be performed. At present the total number of employees working in the New York office and the two plants is fewer than 500.

d. When the bid opening officer reads your delivery schedule, interrupt and state that a mistake has been made. Insist that your delivery schedule should read the same as the required delivery schedule. State that you have working papers to prove it, and that the figures on the bid must have been the result of clerical error. Insist that it be corrected immediately. Persist until the bid opening official refers you to the contracting officer.

BUTLER OIL COMPANY
10 ORANGE DRIVE
SYRACUSE, NEW YORK 10001

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

In response to paragraph L.13 of your IFB No. DABT59-8X-B-0001, we submit the following affidavit.

AFFIDAVIT

The following firms are affiliates (owned by) of the Butler OIL Company:

Duval Manufacturing Company
6 East Street
Albany, New York 12207

McRae Company
140 East Parkway
Charlottesville, Virginia 22902

I, _____, as president and majority stockholder in Butler Oil Company, am the only individual exercising control/ownership in the companies named. My address is shown in the letterhead.

Sincerely,

President

Group No. 5 (con't)

BUTLER OIL COMPANY
10 ORANGE DRIVE
SYRACUSE, NEW YORK 10001

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

In response to paragraph K.2 of your IFB, IFB No. DABT59-8X-B-0001, we submit the following:

Sixty percent of the awarded quantity will be manufactured by the Duval Manufacturing Co., 6 East Street, Albany County, Albany, New York 12207. Items produced in this facility will be packed in the plant. The plant has truck loading facilities as well as a rail siding which is serviced by the New York Central Railroad.

Forty percent of the awarded quantity will be manufactured by the McRae Co., 140 East Parkway, Albermarle County, Charlottesville, Virginia 22902. The Items produced in this facility will be packed in the plant. The plant has truck loading facilities, but no rail siding. The nearest rail terminal is the Norfolk and Western Freight Station, 107 2nd Street, Charlottesville, Virginia, serviced by the Norfolk and Western Railroad. In this connection, see the differential quoted in paragraph F-3 of the invitation for Bids.

Sincerely,

President

BID PREPARATION INSTRUCTIONS: GROUP NO. 6

NAME AND ADDRESS OF FIRM: Casco Incorporated
15 Cook Avenue
Allentown, PA 12931

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Leave an acceptance period of 60 days.

b. Leave discounts blank.

c. Fill in blocks 15a and 15b (make up phone number); leave "remittance" block blank.

d. Fill in block 16 and 17; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	2.583 - $516,600.00
0001(B)	f.o.b. destination	-	2.601 - $689,577.12

b. Do not put any prices for f.o.b. origin.

3. Section F. Don't fill in any blanks.

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions as follows:

a. Provision 1: check "corporation" in State of Pennsylvania.

b. Provision 2: (a) check "does not intend".

c. Provision 3: leave blank.

d. Provision 4: par.(b)(2)(i), insert any name from your group.

e. Provision 5: check "has not" at (a)(1) and (a)(2).

f. Provision 6: par.(b), check "is not".

Group No. 6 (con't)

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a dealer.

k. Provision 12: check “has” in both places.

l. Provision 13: check “has”.

m. Provision 14: check “is not”.

5. **Notes:** Attach the enclosed letter, signed by the student that signed the bid, to the front of the Invitation for Bid.

Group No. 6 (con’t)

CASCO, INCORPORATED
15 COOK AVENUE
ALLENTOWN, PA 12931

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

Enclosed is my bid in response to IFB No. DABT59-8X-B-0001. In the event I am the successful bidder, I will not allow Mr. John Q. Jones, QAR, from DCASR Philadelphia, Pennsylvania admittance to my plant.

Sincerely

President

BID PREPARATION INSTRUCTIONS: GROUP NO. 7

NAME AND ADDRESS OF FIRM: Lifetime Grease Co.
28 Tarheel Rd.
Ashland, North Carolina 28001

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 2 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15a and 15b (make up phone no.); do not check "remittance" block.

d. Fill in block 16 and 17; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.25
	f.o.b. destination	-	2.58
0001(B)	f.o.b. origin	-	2.25
	f.o.b. destination	-	2.58

b. Do not put any extended prices.

c. Put the following at the bottom of the page:

Will not accept an award of less than the total quantity. Acceptance of award is dependent upon receiving an award from the Navy for a similar item. The Navy's award decision will be made within 5 days.

3. Section F.

F.1: Leave blank.

F.6: Leave blank.

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

Group No. 7 (con't)

a. Provision 1: check “corporation” in the state of State of North Carolina.

b. Provision 2: check “intends”.

c. Provision 3: leave blank.

d. Provision 4: par. (b)(2)(i), insert name of person designated to sign bid.

e. Provision 5: check “has not” in both places.

f. Provision 6: check “is not”;”offerors E.I.No.”; blank.

g. Provision 7: check “is” and “all”.

h. Provision 8: check “is”.

i. Provision 9: check “is not”.

j. Provision 10: check “is” a manufacturer.

k. Provision 12: check “has”in both places.

l. Provision 13: “has “.

m. Provision 14: check “is not”.

5. Notes:

a. Be prepared to defend your bid on the grounds that you are certain to get the Navy award because of your previous history of making this item and the fact you have underbid your competition for this Navy contract.

b. As soon as the bid opening official completes the reading of your bid, walk up to the bid opening official and demand to see a copy of the Tru-Test Co’s bid. Persist until you are allowed to look at the bid or are assured that you will be able to examine the bid immediately after the completion of bid opening.

BID PREPARATION INSTRUCTIONS: GROUP NO. 8

NAME AND ADDRESS OF FIRM: ACE OIL & GREASE CO
1030 BROAD STREET
WESTCHESTER, PA 10461

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 2 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15 (make up phone number) do not check "remittance" block.

d. Fill in block 16; put today's date in block 18. Leave block 17 blank—do not sign.

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.590
	f.o.b. destination	-	2.605
0001(B)	f.o.b. origin	-	2.598
	f.o.b. destination	-	2.630

3. Section F.1. Fill in offeror's proposed delivery schedule as follows:

0001(A)	200,000 lbs.	200 days
0001(B)	265,120 units	200 days

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check "corporation" and fill in Pennsylvania.

b. Provision 2: (a) check "intends" (b) "Antibies West Indies" name "Royal Dutch Shell, Netherlands".

c. Provision 3: par. leave blank.

d. Provision 4: par. insert any name from your group.

e. Provision 5: check "has not", "has not".

Group No. 8 (con't)

f. Provision 6: check “is”; make up “Offerors E.I. No.”; for Shell Oil Co., c/o Hart, Hart & Hart, 73 Maiden Lane, New York, New York.

g. Provision 7: insert “is not”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “manufacturer”.

k. Provision 11: leave blank.

l. Provision 12: par. (a), “has”; par. (b), “has”.

m. Provision 13: “has”.

n. Provision 14: par. (a), “is not”.

o. Provision 15: fill in “Grease Venezuela”.

p. Provision 16: fill in at (b) “0001 Venezuela”.

5. Notes to the President.

a. In preparing your bid, be sure not to sign the bid document (leave block 17 on SF 33 blank).

b. Have a member of your group list his/her name in block 16 for the President.

c. Have the same person sign the cover letter above the signature block for the President of Ace Oil & Grease Co., and include the letter in the bid envelope. The cover letter is attached.

d. When your bid is read and you discover that the bid document is unsigned, insist on being able to correct it (by applying your (the actual President’s) signature) during the bid opening.

ACE OIL & GREASE CO
1030 BROAD STREET
WESTCHESTER, PA 10461

Contracting Officer
New Cumberland Army Depot
New Cumberland, PA 17070

Dear Sir:

Attached for your consideration is a copy of Ace Oil & Grease Co. offer submitted in response to IFB No. DABT59-8X-B-0001

Sincerely,

President
Ace Oil & Grease Co.
1030 Broad Street
Westchester, PA 10461

BID PREPARATION INSTRUCTIONS: GROUP NO. 9

NAME AND ADDRESS OF FIRM: CENTURY INC.
1465 BAYVIEW
HENRICO, VIRGINIA 23801

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Leave acceptance period of 60 days.

b. Show a discount of 3.5 percent 10 days; 3 percent 20 days; 1 percent, 30 days.

c. Fill in blocks 15 A $ B (make up phone number); do not check "remittance" block.

d. Fill in blocks 16, and 17; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	2.50 - $500,000.00
0001(B)	f.o.b. destination	-	2.52 - $668,102.40

b. Do not put prices for f.o.b. origin.

c. At the bottom of the page, put the following:

As we consider Military Specification MIL-G-3545C(MR) overstates your requirement. We are offering our standard commercial aircraft grease, type T-13 in lieu of the military type. We have supplied this item for many years to the Richmond airport servicing company with no complaints. You will find this model less expensive and we insure you much greater customer satisfaction.

3. Section F. Leave blank.

4. Section K. Representations, Certifications, and other statements of bidders.

a. Provision 1: check " corporation", under the laws of the State of Delaware.

b. Provision 2: check "intends", "leave place of performance blank", and "owner of Gulf Corp., Wilmington, Delaware."

c. Provision 3(d): do not fill in.

Group No. 9 (con't)

d. Provision 4: insert name of member from your group.

e. Provision 5: check “has not” and “has not.”

f. Provision 6: check “is”; make up “offerors E.I. No” for Gulf Oil Corp., 1730 Corporate Plaza, Wilmington,Delaware.

g. Provision 7: check “is” and “all.”

h. Provision 8: check “is not.”

i. Provision 9: check “is not.”

j. Provision 10: check “regular dealer.”

k. Provision 11: check leave blank.

l. Provision 12: check “has not” and “has not.”

m. Provision 13: check “has not” and “has not.”

n. Provision 14: check “is not.”

o. Provision 15: leave blank.

p. Provision 16: leave blank.

5. Notes: none.

BID PREPARATION INSTRUCTIONS: GROUP NO. 10

NAME AND ADDRESS OF FIRM: FOREVER CO.
1030 FAR HILLS
DALE CITY, FLORIDA 30001

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Leave acceptance period of 60 days.

b. Show a discount of 2 percent 20 days; 1 percent 30 days.

c. Fill in blocks 15 (make up phone number); do not check "remittance" block.

d. Fill in blocks 16, 17, and 18; put today's date in block 18. Sign the bid!

2. Section B.

a. Price your bid as follows:

ITEM

0001(A)	f.o.b. destination	-	.26 - $52,000.00
0001(B)	f.o.b. destination	-	.25 - $66,270.00

b. Do not put prices for f.o.b. origin.

3. Section F. Leave blank

4. Section K. Representations, Certifications, and other statements of bidders.

a. Provision 1: check " corporation", under the laws of the State of Florida.

b. Provision 2a: check "intends".

c. Provision 2b: place of performance is "14 Swamp lane, Disneyland,Florida" and facility is "Sanford & Sons, 14 Swamp Lane, Disneyland, Florida".

d. Provision 3: Leave blank.

e. Provision 4b(2)(i) put any name from your group.

f. Provision 5: check "has not" and "has not".

Group No. 10 (con't)

g. Provision 6b: check “is not”.

h. Provision 7: check “is” and “all”.

i. Provision 8: check “is”.

j. Provision 9: check “is not”.

k. Provision 10: check “is a regular dealer, is not a manufacturer”.

l. Provision 11: Leave blank.

m. Provision 12: at (a) check “has” and (b) check “has”.

n. Provision 13: at (a) check “has”.

o. Provision 14: check “is”.

p. Provision 15: leave blank.

q. Provision 16: leave blank.

5. Notes: After your bid has been read and recorded, it will be obvious that your figures to all destinations are unusually low. You will at this time allege a mistake in your bid resulting from an apparent clerical error and ask the bid opening official to authorize you to withdraw your bid. Insist on being allowed to physically retain your bid until the bid opening official refers you to contracting officer.

BID PREPARATION INSTRUCTIONS: GROUP NO. 11

NAME AND ADDRESS OF FIRM: B AND Z COMPANY
115 MAIN STREET
WESTCHESTER, PA 10461

Please prepare one copy of your bid as follows:

1. SF33, Offer Section:

a. Acceptance time—60 days.

b. Show discounts as 2 percent, 20 days; 1 percent, 30 days.

c. Fill in blocks 15 (make up phone number) do not check "remittance" block.

d. Fill in block 16; put today's date in block 18. Leave block 17 blank—do not sign.

2. Section B. Price your bid as follows:

ITEM

0001(A)	f.o.b. origin	-	2.00
	f.o.b. destination	-	2.10
0001(B)	f.o.b. origin	-	2.00
	f.o.b. destination	-	2.10

3. Section F.1. Fill in offeror's proposed delivery schedule as follows:

0001(A)	200,000 lbs.	200 days
0001(B)	265,120 units	200 days

4. Section K. Representations, Certifications, and other statements of bidders. Fill in the provisions of section K, as follows:

a. Provision 1: check "corporation" and fill in Pennsylvania.

b. Provision 2: (a) check "intends" (b) "Antibies West Indies" name "Royal Dutch Shell, Netherlands".

c. Provision 3: par. leave blank.

d. Provision 4: par. insert any name from your group.

e. Provision 5: check "has not, has not".

Group No. 11 (con't)

f. Provision 6: check “is”; make up “Bidders E.I. No.”; for Shell Oil Co., c/o Hart, Hart & Hart, 73 Maiden Lane, New York, New York.

g. Provision 7: insert “is not”.

h. Provision 8: check “is not”.

i. Provision 9: check “is not”.

j. Provision 10: check “manufacturer”.

k. Provision 11: leave blank.

l. Provision 12: par. (a), “has”; par. (b), “has”.

m. Provision 13: “has”.

n. Provision 14: par. (a), “is not”.

o. Provision 15: fill in “Grease Venezuela”.

p. Provision 16: fill in at (b) “0001 Venezuela”.

5. **Notes:** Your bid will be a late hand-carried bid. In accordance with FAR 14.304, it will not be accepted. Make a good attempt to convince the Bid Opening officer to accept your late bid. Deliver the Bid about ten minutes after the start of the bid opening. You can make up any story you wish for your lateness, e.g., traffic accident, fell on the stairs, elevator stuck. Use your creativity. Insist that your bid be accepted. Give up and return to your seat after it becomes very obvious that the Bid Opening officer knows the rules.

SEALED BIDDING-SIMULATION EXERCISE

GUIDE TO EVALUATION PANEL

1. The purpose of this exercise is to determine which of the bids submitted in response to IFB Bid No. DABT59-8X-B-0001 are responsive and to determine which, if any, require further investigation as to responsibility. Each member of the class has received a copy of the IFB, and a completed Abstract SF 1409, which will be used as the base document for this exercise. Classroom notes and the course text/reference are the only other references required. Students will also be provided with Sealed Bidding-Simulation Exercise Questions.

2. The Chairperson of the panel will direct the questions below to class members. Each class member must be recognized by the Chairperson of the panel before he/she speaks. The panel will take turns asking questions to any member of the class or member of the panel. The chairperson should make an effort to get each class member into the discussion.

3. The Chairperson of the panel will see that a definite answer is given to each question before going on to the next question. In the event a definite answer is not forthcoming, the Chairperson will poll the class in order to determine the majority decision. The instructor will help the class resolve any uncertainties.

4. The panel will not tell the class whether or not a bid is rejected or not until the class has made a majority decision.

SEALED BIDDING-SIMULATION EXERCISE QUESTIONS

TEX-GOOD COMPANY (Bidder No. 1)

1. Will Tex-Good be allowed to verify their alleged mistake after bid opening?

2. What type of mistake is it, and who has the authority to make corrections?

3. What evidence must be shown in order for the mistake to be corrected?

TRU-TEST (Bidder No. 2)

1. Does the failure to submit the affidavit concerning affiliates disqualify the bid? Why or why not?

2. Does the "all or none" stipulated disqualify the bid?

ABC COMPANY (Bidder No. 3)

1. Is ABC Grease Co. a qualified manufacturer or producer? If not why not?

2. What if ABC Grease Co. had a agreement with X Co. to use their plant in the event they got the contract? (X Co. is a manufacturer).

3. What if ABC Grease Co. had stated that they had a firm commitment for a dealership in this type-item and that the entire operation, including stocks in the warehouse, will be opening approximately 2 months after bid opening?

4. Does the 90-day bid acceptance period disqualify the bid?

ROBERT & SONS (Bidder No. 4)

1. Does the failure to submit an SF 119 disqualify the bid?

2. Would the failure to complete the representation concerning contingent fees on the SF 33 disqualify the bid?

3. Would refusal to provide the representation concerning contingent fees disqualify the bid?

4. Would refusal to provide an SF 119 disqualify the bid?

BUTLER MFG. CO. (Bidder No. 5)

1. How would the 20-day prompt payment discount be treated?

2. How would the division of work between the two plants affect evaluation?

3. What action should be taken concerning Butler's alleged clerical mistake in the delivery schedule?

CASCO INC. (Bidder No. 6)

1. CASCO has bid f.o.b. destination only. Does this disqualify the bid?

2. CASCO has stated that he will not admit a particular Government inspector to their plant if they are the successful offeror. Does this disqualify their bid? Why or why not?

LIFETIME (Bidder No. 7)

1. LIFETIME bid “all or none”, how would this affect the bid?

2. LIFETIME failed to extend his prices, does this disqualify his bid?

3. This firm is a small business, a qualified manufacturer, and based on past experience does very good work for the Government, and it is quite probable that he will get the Navy contract. Should we consider this bid?

ACE OIL & GREASE CO (Bidder No. 8)

1. What is the effect of the unsigned bid and does ACE’s unsigned bid require rejection of their bid?

2. ACE changed the delivery schedule for the first deliveries from 180 days to 200 days after the award and accelerated the rest of the schedule. Does this make them non-responsive since they appear to be giving the Government the supplies sooner than required?

3. If ACE’S bid was responsive, would it be necessary to apply an evaluation factor to ACE’S bid? They are planning to furnish a product containing XXX from Venezuela and the place of performance is the West Indies.

CENTURY MFG. CO. (Bidder No. 9)

1. What is the effect of CENTURY offering a standard commercial product in lieu of the military specification type?

FOREVER (Bidder No. 10)

1. The bidder is bidding very low prices. What action should be taken?

2. What must the bidder do to prove that he made a mistake?

3. Should the bidder be allowed to withdraw his bid if he can clearly establish that a mistake was made?

4. What would be required if Forever requested permission to correct the mistake and such correction would still leave him the low bidder?

SEALED BIDDING-SIMULATION EXERCISE QUESTIONS AND ANSWERS

TEX-GOOD COMPANY (Bidder No. 1)

1. Will Tex-Good be allowed to verify their alleged mistake after bid opening?

ANSWER: Yes, FAR 14.406-2(a).

2. What type of mistake is it, and who has the authority to make corrections?

ANSWER: Apparent clerical mistake, Contracting Officer, FAR 14.406-2(a).

3. What evidence must be shown in order for the mistake to be corrected?

ANSWER: Mistake must be apparent on its face in the bid FAR 14.406-2.

TRU-TEST (Bidder No. 2)

1. Does the failure to submit the affidavit concerning affiliates disqualify the bid? Why or why not?

ANSWER: No. This is a minor informality or irregularity. FAR 14.405(e).

2. Does the "all or none" stipulated disqualify the bid?

ANSWER: No. Not unless a provision is inserted in the IFB stating how the required quantities are to bid upon. FAR 14.404-5.

ABC GREASE COMPANY (Bidder No. 3)

1. Is ABC Grease Co. a qualified manufacturer or producer? If not why not?

ANSWER: No. They do not have a firm commitment for manufacturing space, equipment and personnel to perform on its own premises the manufacturing operations. FAR 22.606-1(a)(2).

2. What if ABC Grease Co. had a agreement with X Co. to use their plant in the event they got the contract? (X Co. is a manufacturer).

ANSWER: Still not a manufacturer even if they made legally binding commitments since the rent, use or sharing of the manufacturing or producing establishment of another legal entity does not meet this requirement. FAR 22.606-1(c).

3. What if ABC Grease Co. had stated that they had a firm commitment for a dealership in this type-item and that the entire operation, including stocks in the warehouse, will be opening approximately 2 months after bid opening?

ANSWER: Not responsible. Bidder must be able to show that his business is an established and going concern before contract award. Sales must have been made to the general public before award in an amount to establish the fact that the business is a going concern. It is not sufficient to show that arrangements have been made to set up such a business. FAR 22.606-2.

4. Does the 90-day bid acceptance period disqualify the bid?

ANSWER: No. Any period is acceptable as long as it is not shorter than the minimum period stated by the Government. If no minimum period is stated, the bidder may offer any period without restriction. IFB (provision) 52.214-16.

ROBERT & SONS (Bidder No. 4)

1. Does the failure to submit an SF 119 disqualify the bid?

ANSWER: No, minor informality or irregularity. FAR 3.405(b)(2)

2. Would the failure to complete the representation concerning contingent fees on the SF 33 disqualify the bid?

ANSWER: No, minor informality or irregularity. FAR 3.405(b)(2).

3. Would refusal to provide the representation concerning contingent fees disqualify the bid?

ANSWER: Yes. FAR 3.405(b)(3).

4. Would refusal to provide an SF 119 disqualify the bid?

ANSWER: Perhaps, Chief of Contracting Office. FAR 3.407.

BUTLER MFG. CO. (Bidder No. 5)

1. How would the 20-day prompt payment discount be treated?

ANSWER: Not considered in evaluation, but included in award documentation, if award is made to Butler. FAR 14.407-3.

2. How would the division of work between the two plants affect evaluation?

ANSWER: In the evaluation for f.o.b. origin, the two shipping points and quantities to be shipped from each would affect the calculations of the transportation costs. If the quantity to be shipped from each was not indicated, the Government would select the most economical shipping point (from the Government's standpoint) and use that point for the calculation of transportation costs; if no shipping point had been indicated, the transportation costs would be calculated from the plant; if no plant had been indicated, the Government would calculate the transportation costs from whatever address was provided in the IFB. In any event, the contractor would be liable for any excess transportation costs should he utilize a shipping point other than that used in evaluation. FAR 47.305-3(b)(4)(ii).

3. What action should be taken concerning Butler's alleged clerical mistake in the delivery schedule?

ANSWER: Reject the bid as non-responsive. Mistakes can be considered only in a bid that is responsive. FAR 14.404-2(c).

CASCO INC. (Bidder No. 6)

1. CASCO has bid f.o.b. destination only. Does this disqualify the bid?

ANSWER: No. The IFB contains a provision inviting offers on the basis of f.o.b. origin and/ or f.o.b. destination. The Government will award on the basis the contracting officer determines to be most advantageous to the Government. An offer made f.o.b. destination only, is acceptable but will be evaluated only on the basis submitted. FAR 52.247-45.

2. CASCO has stated that he will not admit a particular Government inspector to their plant if they are the successful offeror. Does this disqualify their bid? Why or why not?

ANSWER: No. A low bidder may be requested to delete objectional conditions from his bid

provided these conditions do not go to the substance, as distinguished from the form of the bid, or work an injustice on other bidders. A condition goes to the substance of a bid where it affects prices, quantity, quality, or delivery of the items offered. FAR 14.404-2(e).

LIFETIME (Bidder No. 7)

1. LIFETIME bid "all or none", how would this affect the bid?

ANSWER: "All or none" does not make the bid non-responsive, but they could not receive any award of less than the entire quantity—thus, if they were in line only for award on item 1, they would receive no award at all because of the 'All or none' qualification. FAR 14.404-5.

2. LIFETIME failed to extend his prices, does this disqualify his bid?

ANSWER: No, the unit price governs. FAR 52.214-12.

3. This firm is a small business, a qualified manufacturer, and based on past experience does very good work for the Government, and it is quite probable that he will get the Navy contract. Should we consider this bid?

ANSWER: No. Lifetime conditioned their bid and it must be rejected. FAR 14.404-2.

ACE OIL & GREASE CO (Bidder No. 8)

1. What is the effect of the unsigned bid and does ACE's unsigned bid require rejection of their bid?

ANSWER: An unsigned bid is not necessarily non-responsive, since it may be determined to be a deviation which goes only to form and not to substance. Failure of a bidder to sign his bid may be a minor informality or irregularity if the bid is accompanied by other material indicating the bidder's intention to be bound by the unsigned offer. ACE's bid does not require rejection since the accompanying cover letter refers to the solicitation document and clearly shows Aces's intent to be bound by the document. The contracting officer may either require the bid document to be signed by the appropriate official of Ace or waive the requirement as a minor informality. FAR 14.405(c).

2. ACE changed the delivery schedule for the first deliveries from 180 days to 200 days after the award and accelerated the rest of the schedule. Does this make them non-responsive since they appear to be giving the Government the supplies sooner than required?

ANSWER: They are non-responsive because deliveries offered do not meet the minimum stated in Section F of the IFB. Even though it appears they are giving us a better deal they are non-responsive. FAR 14.404-2(c).

3. If ACE'S bid was responsive, would it be necessary to apply an evaluation factor to ACE'S bid? They are planning to furnish a product containing XXX from Venezuela and the place of performance is the West Indies.

ANSWER: No. The Buy American Act does apply in this case. One or more agencies have determined that the item is not mined, produced or manufactured in the United States in sufficient and reasonably available commercial quantities. FAR 25.102 and 25.108.

CENTURY MFG. CO. (Bidder No. 9)

1. What is the effect of CENTURY offering a standard commercial product in lieu of the military specification type?

ANSWER: Bid would be non-responsive for failure to conform to the specifications. FAR 14.404-2(b).

FOREVER (Bidder No. 10)

1. The bidder is bidding very low prices. What action should be taken?

ANSWER: Check for mistake— request the bidder to verify his bid, telling him what appears to be in error. FAR 14.406-3(g).

2. What must the bidder do to prove that he made a mistake?

ANSWER: Bidder claims clerical error. Bidder must present clear and convincing evidence in writing that establishes the existence of the mistake. FAR 14.406-3(g).

3. May the bidder be allowed to withdraw his bid if he can clearly establish that a mistake was made?

ANSWER: Yes. FAR 14.406-3(a)(b)(c).

4. What would be required if Forever requested permission to correct the mistake and such correction would still leave him the low bidder?

ANSWER: Forever would not only have to present clear and convincing evidence that would establish the existence of the mistake, but this evidence would also have to clearly establish the intended bid. In addition the agency head would have to approve. FAR 14.406-3(a).

LESSON 6

MISTAKES IN BIDS

Primary Learning Objective

Condition: Given solicitations, offers or contracts containing suspected mistakes:

Action: Identify and resolve mistakes.

Standard: All bids or proposals selected for award are free of substantial mistakes that would:

- Diminish the Government's power of acceptance or ability to enforce a contract, or
- Prejudice the rights of offerors whose bids are fully responsive.

In resolving mistakes, does not give the offeror "two bites at the apple."

Course Learning Objectives (CLO)

At the completion of this lesson the student will be able to:

6-1 Identify and resolve mistakes in bids disclosed before award by:

- Examining bids for mistakes.
- Requesting verification of bids with suspected mistakes.
- Instructing the bidder to allege the mistake in writing and to request withdrawal or modification of the bid, if the bidder alleges a mistake.
- Determining whether there has in fact been a mistake.
- Determining whether the intended price can be calculated from available evidence.
- Preparing a recommendation to the agency head or designee.

6-2 Identify and resolve mistakes in bids disclosed after award by:

- Recognizing mutual mistakes on the face of the offer.
- Modifying the contract to correct mutual mistakes on the face of the offer that are in the Government's favor.
- Requesting evidence of the mistake, if the contractor alleges a mistake.
- Determining whether there has in fact been a mistake and if the CO should have been able to detect it.
- Determining the corrected price, if a mistake is verified.

Estimated Time	75 minutes—lecture/discussion 25 minutes—case study
Method of Instruction	Lecture/Discussion with viewgraphs as visuals Student Exercise —Case Study on Mistakes in Bids Interactive Review Questions
Student Materials	Text/Reference—Chapter Six Classroom Materials—Lesson Six (Case Study)
Instructor Materials	Text/Reference—Chapter Six Instructor Guide—Lesson Six Overhead Projector and Overhead Markers Viewgraph slides for Lesson Six
Instructor References	FAR 14.406-1, 14.406-2, 14.406-3, 14.406-4

TOPIC:	INTRODUCTION TO MISTAKES IN BIDS
REF:	TR 6-1 through 6-4
OBJECTIVE:	To introduce the students to the problem of mistakes in bids before or after contract award.
TIME:	9:50 a.m.— 8 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-1	a. Allow the students three minutes to review the vignette at TR 6-1.	
	• Several important questions result from the situation presented in the vignette. We will answer these later in the lesson.	
6-3	• Mistakes in bids happen frequently and may be discovered during bid opening, following bid opening and before contract award, or in some cases, even after the contract has been awarded.	
	• Contracting personnel must have a thorough understanding of the proper procedures required in verifying and correcting mistakes in bids.	
	b. This lesson is divided into two sections:	
	• The first section deals with mistakes in bids before contract award. The second section deals with mistakes following contract award.	
6-4	• The flowchart at TR 6-4, exhibit 6-2, presents the step-by-step process for handling preaward mistakes in bids which we will now examine in detail.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS

REF: TR 6-5 through 6-13

OBJECTIVE: To focus the students' attention on proper handling of preaward mistakes in bids.

TIME: 9:58 a.m.— 45 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-5	a. 6.1.1 Identify Possible Mistakes in Bids • Correctly handling mistakes in bids is critically important to the success and integrity of the sealed bidding method of procurement. • Once submitted, a bid cannot be changed unless there is clear and convincing evidence that a mistake has been made. • Contracting personnel are responsible for examining all bids for possible mistakes, and for employing the proper procedures for correcting any mistakes that are discovered. • Mistakes in bids may be classified by type.	
VG 6-6	b. 6.1.1.1 Apparent Clerical Mistakes • Some examples of clerical mistakes are displayed in VG 6-6. **EXAMPLES OF TYPES OF CLERICAL MISTAKES** • Obvious misplacement of a decimal point. • Obvious incorrect discounts. • Obvious reversal of the price. • Obvious mistake in designation of unit. VG 6-6 • Show VG 6-6 and discuss each type of mistake. • Clerical mistakes in bids are usually quite obvious.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-6	c. 6.1.1.2 Other Preaward Mistakes. • Other kinds of mistakes and errors may not be apparent on the face of the bid. • Following bid opening, it may not be clear why an unusually low bid is so extremely low. Possible reasons include: - Clerical transposition of numbers. - A mistake in calculations. - Misunderstanding on the part of the bidder regarding the exact nature of the work required. - An intentionally low bid. • The low bid might not be a mistake at all but intentionally made low so as to attract additional Government business or gain a "foot in the door" for follow-on contracts. • An unusually low bid suggests that a mistake may have been made, and the bidder may come forward to request correction of the bid. d. 6.1.2 Request Verification of Bids with Suspected Mistakes. • The CO is required to examine all bids carefully for mistakes. • If he/she suspects that a mistake has been made, the bidder must be contacted and asked to verify the bid.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
VG 6-7	• VG 6-7 highlights the steps to be taken when requesting verification of bids with suspected mistakes. **VERIFICATION OF BIDS** • If you suspect an error, identify it to the bidder. • If you cannot point out a specific error, explain to bidder why he/she should verify the bid. • NEVER suggest a specific rewrite or correction. VG 6-7	
TR 6-7	• Verifying does not include specifying! • Upon verification, the bidder should acknowledge that a mistake exists or does not exist, and the bid should be allowed to stand. • Once again, clerical errors will be quite obvious, but bids that are extremely low require a more cautious evaluation approach.	
VG 6-8	• VG 6-8 presents a basis for suspecting a non-clerical mistake that will alert the bidder, but not jeopardize the integrity of the sealed bidding method of procurement.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
VG 6-8	**BASIS FOR SUSPECTING A MISTAKE** Advise the bidder, as appropriate: • About how low his/her bid is as compared to others; • Of important or unusual characteristics of the specifications; • Of changes in requirements from previous purchases; or • Of other data proper for disclosure VG 6-8	
TR 6-8	• Once verified, the CO may choose to let the bid stand as submitted, or not to consider the bid further, depending upon the circumstances. • Should the verification process become lengthy, eligible bidders may be asked to extend their bid acceptance periods. (The time in which bids may be considered for award). • During the verification period the CO must be careful not to give a bidder any beneficial information that enhances his prospects for contract award.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-8	e. 6.1.3 Correct Clerical Mistakes in the Bid • Apparent clerical mistakes in bids may be corrected by the CO before award provided the following conditions have been met: - Written verification is obtained from the bidder of the intended bid. - The verification to the original bid is attached. (Do not tamper with the original bid in any way). - The bid correction is reflected in the contract award document.	
	• Use the following example to demonstrate a typical clerical error in the submission of bid prices: *Nails in compliance with FED SPEC 20115 in the following sizes and quantities (Partial Listing)*	

Size	*Quantity*	*Unit Price*	*Total*
4	*200 lbs*	*.1505*	*$30.10*
6	*200 lbs*	*.1820*	*$36.40*
8	*200 lbs*	*2.200*	*$44.00*
10	*200 lbs*	*.2410*	*$48.20*

Here you have a normal progression of prices. If the bidder verifies that Size 8 should be unit price .2200 per pound, make the correction. If the bidder does not verify, and states that the total column is in error, the bidder must be able to show evidence of a mistake. In this case, acceptable evidence is not likely, so, if the bid is low, accept it.

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-9	f. 6.1.4 Respond to Allegations if Bidder Alleges a Non-Clerical Mistake • Respond after the bid opening, but before award. • Respond if bidder reports the mistake without any prompting from the CO. • Do not accept an oral allegation of a mistake. • Allegations must be in writing, with all supporting information provided to the CO. (Show VGs 6-9 and 6-10).	
VGs 6-9 6-10	**INSTRUCTIONS FOR BIDDERS WHO ALLEGE MISTAKES** • Allege mistake(s) in writing. • Request withdrawal or correction of the bid. • Submit any necessary evidence of the mistake to include: - Certified copies of worksheets and other data used in preparing the bid. - Copies of subcontractor and supplier quotes. - Published price lists. - Comparison of line items. - Any other data necessary to support the allegation. VGs 6-9, 6-10	
TR 6-9	g. 6.1.5 Verify the Alleged Mistake • Using the gathered information and evidence, determine if, in fact, there has been a mistake.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-9	• If so, one of three actions can be taken: - Correct the mistake. - Withdraw the bid. - Consider the bid as submitted.	
6-10	h. 6.1.6 Recommend Correcting the Mistake or Allowing Withdrawal of the Bid. (FAR 14.406-3) i. 6.1.6.1 When to Recommend Correction of Non-Clerical Mistakes. • Corrections of non-clerical mistakes should be made only under certain conditions, e.g.: - If clear and convincing evidence establishes the existence of a mistake. - If the existence of the mistake can be substantially drawn from the IFB and the bid submitted. - If the agency head recommends correcting the non-clerical mistake based on the evidence presented. • If correction of the bid still results in the low bid, the Government may decide to accept the bid even though the bidder may prefer to withdraw from competition. • The Government should not be prevented from taking advantage of a good deal. • The correction of non-clerical mistakes must be carefully considered in light of the integrity required in the sealed bidding method of procurement.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-10	• Remember the firm bid rule. "A bid is firm from the time of bid opening until the date the bid expires." • Also, in terms of responsiveness: "A bid that is not responsive at the time of bid opening cannot later be made responsive." • If changing or correcting a non-clerical error shifts the relative standing of bidders, there must be overwhelming evidence within the bid document itself to warrant the correction. j. 6.1.6.2 When to Recommend Withdrawal of the Bid • The agency head may decide to let the bidder withdraw the bid when it is substantially clear that no purpose is served on either side by letting the bid stand.	
6-11	• Withdrawal of the bid may be the only logical choice when there is no way to ascertain what the intended bid actually was. • In the absence of evidence to support withdrawal of the bid, the CO can allow the bid to stand on the basis of what is most beneficial to the Government.	

TOPIC: 6.1 PREAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-12	k. 6.1.6.3 Preparing the Recommendation • When the CO decides to forward a recommendation to correct a non-clerical mistake or to allow withdrawal of the bid, the following items should be included: - Signed copy of the bid involved. - A complete copy of the IFB. - Abstracts of bids received. - Written requests of the bidder. - A written statement from the CO delineating the reasons for the recommendation.	
☞	l. At this point, refer the students back to the vignette on page 6-1 and answer the questions concerning mistakes in bids.	

TOPIC:	CASE STUDY—MISTAKES IN BIDS
REF:	CM 6-4
OBJECTIVE:	To conduct the case study on mistakes in bids.
TIME:	10:43 a.m.— 15 minutes
METHOD:	Case Study/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 6-4	a. In this case study, divide the class into four groups. Assign each group a different situation. For example, the first group can do Situation #1, etc. b. Give each group approximately 5 minutes to read the case and discuss among themselves a possible solution. c. In the remaining 10 minutes, conduct an open class discussion on each situation. Ask the groups to give the class their answers and explanations on their part of the problem. The class can then ask direct questions to get clarification on the group's answer(s).	

CASE STUDY
MISTAKES IN BIDS

The Casco Manufacturing Co. submitted a bid in response to a solicitation for 5,000 electrical units. Later, Casco received a firm quote from one of its vendors, which, had it been received earlier, would have affected the prices quoted in the bid.

QUESTIONS

Situation #1: The vendor quote had been received by Casco only hours before the bid opening. Could Casco change or withdraw its bid at the time of the bid opening?

Situation #2: The vendor's quote was considerably higher than Casco had anticipated. Casco now believes that it will lose money if it is awarded the contract at the price quoted in its bid. Can Casco correct or withdraw its bid after the bid opening?

Situation #3: The vendor's quote was lower than Casco had anticipated. After the bid opening, if Casco could correct its bid, it would be the low bidder. Can Casco correct its bid, thereby making it more favorable to the Government?

Situation #4: Change the scenario: Assume that Casco simply alleged that it understated its labor costs due to an error in calculations and now requests permission to withdraw its bid — which was the lowest bid received. What would you do?

ANSWERS

Situation #1: FAR 14.303, Modification or Withdrawal of Bids, states:

- Bids may be modified or withdrawn by written or telegraphic notice received in the office designated in the invitation for bids not later than the exact time set for opening of bids.
- A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening of bids, the identity of the person requesting withdrawal is established and that person signs a receipt for the bid.

One recourse open to Casco is to withdraw its bid in person and to submit a replacement hand-carried bid. Both actions must occur before bid opening.

Situation #2: FAR 14.406 provides that, after the opening of bids, “mistakes” in bids can be corrected only under certain circumstances that must be substantiated by the offeror. Also, clerical mistakes, apparent “on the face” of the bid, may be corrected by the CO. However, in this Situation #2, there was no “mistake." Rather, the bidder made an error in judgment that cannot be corrected after the bid opening. Also, a bid may not be withdrawn after the time set for bid opening. A bid is firm for the number of days indicated on the bid form and may not be withdrawn during that period of time. This is known as “the firm-bid rule” as discussed in Lesson 5.

Situation #3: FAR 14.304-1(d) states that a late modification of an otherwise successful bid, which makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted. Situation #3 implies that Casco was not the low bidder and therefore, FAR 14.304-1(d) would not apply.

NOTE: In this situation, if Casco was the low bidder, would it want to correct its bid? Logically, the answer would be “no.” However, a bidder sometimes decides to lower its prices prior to bid opening. If the bid is changed but is received late (after the bid opening) the Government will hold the bidder to the lower bid provided that it was the low bidder on the original bid.

Situation #4: (1) Request documentation containing evidence of the alleged mistake. This should include worksheets showing labor categories, rates, and time estimates, and how or why these were wrong, such as comparing them with previous computations or formulas that are correct. (2) If the evidence is clear and convincing as to the mistake, the CO (or the agency head if authority is not delegated) may permit withdrawal of the bid. This scenario would change if the bidder also requested correction of its bid.

TOPIC:	6.2 POSTAWARD MISTAKES IN BIDS
REF:	TR 6-15 through 6-19
OBJECTIVE:	To focus the students' attention on proper handling of postaward mistakes in bids.
TIME:	10:58 a.m.— 22 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-15	6.2 Postaward Mistakes in Bids (FAR 14.406-4 Mistakes After Award and FAR Subpart 33.2 Disputes and Appeals) The contract has been awarded so that the bid accepted is the only bid under discussion. Handling preaward mistakes in bids usually takes care of mistakes following contract award; however, they still occur. a. 6.2.1 Recognize and Correct Mutual Mistakes that are in the Government's Favor. • Mistakes discovered after award may be corrected by a contract modification if: - The correction is favorable to the Government. - The essential requirements of the specifications are not changed. • Minor corrections in specifications are acceptable as long as they do not jeopardize the entire contract.	
6-16	b. 6.2.2 Request Evidence of the Mistake • The contractor will be requested to verify in writing, backed by evidence, that a mistake exists. • Exhibit 6-8 at TR 6-16 lists several examples of evidence needed to process mistakes found following contract award.	

TOPIC: 6.2 POSTAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-16	c. 6.2.3 Verify the Mistake • The CO shall prepare a statement for the contract file to include: - His/her opinion that the mistake actually exists. - Whether the CO was aware of the mistake before the award. - Written confirmation from the contractor that a mistake exists.	
6-17	d. 6.2.4 Rescind or Reform the Contract • 6.2.4.1 Rescind the Contract (Void) - Mutual mistake and both parties agree to void or rescind the contract. - The contract is voided, the funds deobligated, and the file documented accordingly. • 6.2.4.2 Reform the Contract if: - The contract is held intact, but items involved in the contract mistake are deleted. - There is a price correction, i.e. an increase, but not to the point where the next low bid is exceeded under the original IFB.	
6-18	- Reforming the contract differs from modifying the contract:	

TOPIC: 6.2 POSTAWARD MISTAKES IN BIDS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 6-18	- Reforming generally means changing the scope but not the terms and conditions of the contract.	
6-19	e. 6.2.5 Prepare the Case File and Obtain Legal Clearance. • Include the information listed in exhibit 6-9 at TR 6-19. (Review with the students).	

IS IT A MISTAKE AND IF SO, WHAT DO YOU DO NOW?

TIME: 11:20 a.m.—10 minutes

INSTRUCTIONS: You are now going to revisit the simulation exercise. This time you will be asking questions about bidders' mistakes and actions that need to be taken.

BIDDER 1 TEXGOOD COMPANY

Issue: Discounts: TexGood objected during the bid opening that there had been a mistake. Its typist had inverted the intended discount. It incorrectly read: 1%, 10 days; 2%, 20 days, and 3%, 30 days. It should have read: 3%, 10 days, 2%, 20 days; and 1%, 30 days.

1. Will Tex-Good be allowed to verify their alleged mistake after bid opening?

ANSWER: Yes, FAR 14.406-2(a). The bid is responsive to the IFB with or without correction of the mistake.

2. What type of mistake is it, and who has the authority to make corrections?

ANSWER: Apparent clerical mistake, Contracting Officer, FAR 14.406-2(a).

3. What evidence must be shown in order for the mistake to be corrected?

ANSWER: Mistake must be apparent on its face in the bid FAR 14.406-2.

BIDDER 4 ROBERT & SONS

Issue: This bidder forgot to furnish the required SF119 Statement of Contingent or Other Fees. During the bid opening, Robert & Sons advised it had previously submitted one containing statements that remain applicable.

1. Is this considered a mistake in bid?

ANSWER: Technically speaking, a bidder forgetting to provide a SF119 is a mistake made by the bidder. This "mistake" is a matter of form, not price. All "mistakes of form" are considered minor irregularities and informalities and do not constitute a mistake in bid as intended by FAR 14.406. The methods used to correct a bidder's minor irregularities/informalities are much simpler than processing a mistake-in-bid based on substance.

BIDDER 5 BUTLER

Issues: 1. Contract calls for a delivery schedule as follows:

Item	Qty	Days
0001A	100,000	180
0001A	100,000	270
0001B	155,000	180
0001B	55,040	270
0001B	55,040	360

Butler offered a proposed delivery schedule as follows:

0001A	30,000	180
0001A	70,000	270
0001A	100,000	460
0001B	150,000	180
0001B	55,040	270
0001B	60,000	460

1. What action should be taken concerning Butler's alleged clerical mistake in the delivery schedule?

ANSWER: Reject the bid as non-responsive. Mistakes can be considered only in a bid that is responsive. FAR 14.404-2(c). Although this "mistake" is a matter of substance, the bid is not responsive before correction of the "mistake." Mistake-in-bid rules apply primarily to the prices bid by the bidder. If the "mistake" is based on form, it is a minor irregularity. If the mistake is based on substance other than price, it is a determination of responsiveness. Generally speaking, when considering mistakes in bid per FAR 14.406, the mistake is one of price.

BIDDER 10 FOREVER

Issues: 1. During the bid opening, Forever alleged a mistake in its bid that appeared to be clerical. The bidder requested to withdraw the bid. Forever's prices were extremely low compared to the other bidders.

1. Forever is bidding very low prices. What action should be taken?

ANSWER: Check for mistake—request Forever to verify the bid, advising generally what appears to be in error. FAR 14.406-3(g).

2. What must Forever do to prove that a mistake exists?

ANSWER: Bidder claims clerical error. Forever must present clear and convincing evidence in writing that establishes the existence of the mistake. FAR 14.406-3(g).

3. May the bidder be allowed to withdraw the bid if the mistake can be clearly established?

ANSWER: Yes. FAR 14.406-3(a)(b)(c).

4. What is required if Forever requests permission to correct the mistake and such correction still leaves this firm the low bidder?

ANSWER: Forever must not only present clear and convincing evidence that establishes the existence of the mistake, but also evidence that clearly establishes the intended bid. In addition, the agency head must approve. FAR 14.406-3(a).

TOPIC: INTERACTIVE REVIEW QUESTIONS

REF: CM 6-5

OBJECTIVE: To review key points in handling mistakes in bids.

TIME: As time permits.

METHOD: Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 6-5	a. Review the questions concerning mistakes in bids and then break the students for lunch.	

INTERACTIVE REVIEW QUESTIONS

If time permits, use the following questions to review the material in Lesson 6.

1. Cite four examples of clerical mistakes in bids. TR 6-5

   Obvious misplacement of a decimal point.

   Obvious incorrect discounts (e.g., 1%/10 days, 2%/20 days, 5%/30 days).

   Obvious reversal of the price (e.g., F.O.B. destination vs. F.O.B. origin).

   Obvious mistake in designation of unit (e.g., dozen for gross).

2. List four examples of other preaward mistakes that may have occurred when a bid is extremely low. TR 6-6

   Clerical transposition of numbers.

   Mistake in calculation.

   Misunderstanding on the part of the bidder of the work required.

   Intentionally low bid.

3. What are the steps to be taken when requesting a verification of bids with suspected mistakes? TR-6-6

   If you suspect a clerical or nonclerical error, identify it to the bidder.

   If you cannot point out a specific error, give the bidder an indication of why he/she is being asked to verify the bid.

   Never suggest a specific rewrite or correction to the mistake.

4. If correcting the bid changes the relative standing of bidders, when would you be allowed to correct the mistake? TR 6-11

   When evidence can be obtained substantially from <u>the bid document itself</u> without referring to other documents the bidder may have (e.g., worksheets, catalog prices, vendor quotes, etc.). Because of this constraint, such corrections are generally limited to errors of a clerical nature.

5. If a bidder alleges a mistake, what should you instruct the bidder to do? TR 6-9

Allege mistake(s) in writing.

Request withdrawal or correction of the bid.

Submit any necessary evidence of the mistake, for example:

- Certified copies of worksheets and other data used in preparing the bid.
- Copies of subcontractor and supplier quotes.
- Published price lists.
- Comparison of line items.
- Any other data necessary to support the allegation.

6. When a mistake in the bid is not discovered until after award, when may it be corrected by a contract modification? TR 6-15

When correction is favorable to the Government, and essential requirements of the specifications are not changed.

LESSON 7
RESPONSIBILITY

Primary Learning Objective

Condition: Given an IFB, several bids, and the List of Parties Excluded from Federal Procurement and Nonprocurement Programs:

Action: Determine and document responsibility or nonresponsibility of the low, responsive bidder.

Standard: Award contracts only to those firms capable of effective performance in complying with all terms and conditions of the contract.

Course Learning Objectives (CLO)

At the completion of this lesson the student will be able to:

7-1 Review the Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs to determine that the contractor (either by corporate name or names of principal officers) is not debarred, suspended, or otherwise ineligible for the contract.

7-2 Identify data that bear on the issue of responsibility.

7-3 Apply General and Special Standards for responsibility to gathered data.

7-4 Determine whether to request a preaward survey.

- Prepare and forward request for preaward survey.
- Review finished survey report to identify any omissions or deficiencies and follow-up questions for survey team-members.

7-5 Describe the procedures used for dealing with nonresponsibility cases involving small business concerns.

7-6 Describe the procedure for obtaining preaward EEO clearance from the Department of Labor for contracts and subcontracts of $1 million or more.

Estimated Time

40 minutes—interactive lecture/discussion
180 minutes—case studies (GAO decisions)

Method of Instruction

Interactive Lecture/Discussion with viewgraphs as visuals.
Worksheet on the SF 1403
Interactive viewgraphs
Student Exercises—Four cases derived from decisions of the Comptroller General on responsibility determinations.
Interactive Review Questions

Student Materials

Text/Reference—Chapter Seven
Classroom Materials—Lesson Seven (Worksheet and Case Studies)

Instructor Materials

Text/Reference—Chapter Seven
Instructor Guide—Lesson Seven
Overhead Projector and Overhead Markers
Viewgraph slides for Lesson Seven
Chalkboard and Chalk or Flipchart and Markers

Instructor References

FAR PARTS:	SECTIONS:
3	501
9	104-1, 104-4, 105-1, 106-2, 405-1, 406-2, 407-2
19	302, 601(a), 602-1, 602-2, 602-3, 602-4, 705-4(b)
22	602, 604, 606-1, 606-2, 608-2(b)&(f), 805(a)
32	107

TOPIC:	INTRODUCTION TO RESPONSIBILITY
REF:	TR 7-1 through 7-4
OBJECTIVE:	To introduce the students to the step-by-step process of determining bidder responsibility.
TIME:	12:30 p.m.— 17 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-1	a. Allow the students two minutes to review the vignette at TR 7-1.	
	• In this example, the CO must determine bidder responsibility before awarding the contract.	
	• The question of performance is central to any discussion of responsibility. Can Ace Electronics actually perform?	
	• This lesson will examine in detail the various methods of determining bidder responsibility.	
TR 7-3	b. Government Policy on Responsibility:	
	• In awarding Government contracts, an affirmative determination must be made about the responsibility of a prospective contractor.	
	• The CO's signature on the contract constitutes the determination.	
	• If the prospective contractor is found to be nonresponsible, the CO documents the file with the reasons for the determination of nonresponsibility.	
	c. Responsibility Defined; Responsible contractors:	
	• Are eligible to receive an award. • Have a satisfactory performance record. • Are able to perform the work/services required by the contract.	

TOPIC: INTRODUCTION TO RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-3	c. Responsibility Defined (Cont.) • Are available to perform. • Have integrity as well as adequate financial resources. • Are able to meet any special standards.	
	d. Why Determine Responsibility? • The "low bid" is not necessarily the "low bid." • The CO is not required to award the contract automatically to the apparent low bidder. • In contracting by sealed bidding, the award goes to the low, responsive, responsible bidder whose price is both fair and reasonable. • A prospective contractor must affirmatively demonstrate its responsibility, including, when necessary, the responsibility of its proposed subcontractors.	
	e. Steps in Determining Responsibility • Each step is charted at TR 7-4, exhibit 7-2, and will be discussed in turn.	
TR 7-4	• Refer the students to exhibit 7-2 and allow them a moment or two to review the flowchart before proceeding.	

TOPIC:	7.1 REVIEW LISTS OF EXCLUDED PARTIES
REF:	TR 7-5 through 7-7
OBJECTIVE:	To discuss with the students the "list" of excluded parties and the reasons for exclusion from federal procurement or nonprocurement programs.
TIME:	12:47 p.m.— 13 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-5	a. 7.1 Review Lists of Excluded Parties. • Lists are compiled, maintained and distributed by the General Services Administration. • Agencies shall not solicit offers from, award contracts to, or consent to subcontracts with prospective contractors on these lists. • Only the agency head may decide for "compelling" reasons to award a contract to a contractor whose name is listed among those to be excluded. • Excluded parties may not conduct business with Government agencies as representatives or agents of other contractors.	
TR 7-6	b. Causes of Exclusion: • Conviction of fraud or a criminal offense in connection with obtaining or attempting to obtain a Government contract or subcontract. For example, affixing a Made in America label when not made in America. • Violation of Federal or State antitrust statutes pertaining to the submission of bids. • A prime who subsequently contracts with a sub whose name appears on the lists. • Conviction of embezzlement, theft, forgery, bribery, receiving stolen property, or making false statements.	

TOPIC: 7.1 REVIEW LISTS OF EXCLUDED PARTIES (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-6	b. Causes of Exclusion (Cont.) • Lack of integrity or honesty in business conduct that would seriously affect present responsibility determinations for prime or subcontractor awards. • Serious violations of the terms and conditions of previously held contracts. • A history of failure to meet performance standards on one or more previous public contracts. • Violation of the Drug-Free Work Place Act of 1988. c. Corporate Officers of Excluded Parties • A company or corporation may change its name but the officers are likely to remain the same.	
TR 7-7	• GSA's automated listing of excluded parties includes the names of officers who ran these debarred organizations. • Contracting officers may notify prime contractors that their selected subcontractors are debarred and must be replaced with more reputable and responsible companies. • Be prepared to justify a continuing business relationship with an excluded party.	

TOPIC:	7.2 IDENTIFY DATA THAT BEAR ON RESPONSIBILITY
REF:	TR 7-7 through 7-8
OBJECTIVE:	To teach the students the necessity for adequate data in determining responsibility.
TIME:	1:00 p.m.— 10 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-7	a. 7.2.1 Data Bearing on Responsibility and the Necessity for Obtaining Adequate Data. • FAR 9.104 sets the applicable standards for responsibility. • The CO must ensure that adequate data exists to determine the responsibility of a prospective contractor in line with standards. • The burden of proof in determining responsibility lies with the contractor. FAR 9.103(b) states that "in the absence of information clearly indicating that a prospective contractor is responsible, the CO must make a determination of nonresponsibility." • Seek data that clearly demonstrates the level of responsibility required. Use agency resources and the resources of other agencies in determining the responsibility of a prospective contractor. • Check a contractor's current contracts to see if deliveries are on time and in the proper amounts. b. 7.2.2 Sources of Data • The prospective contractor can provide data to support its own claim of responsibility, e.g., previous contract records that demonstrate performance, financial records, quality and quantity of personnel employed to do the job, technical level of manufacturing capability, etc.	

TOPIC: 7.2 IDENTIFY DATA THAT BEAR ON RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-8	7.2.2 Sources of Data (Cont.) • Records and experience data from contracting offices, audit offices and contract administration offices. Certifications and representations. • Other sources such as publications, suppliers, subcontractors, previous customers, financial institutions, business and trade associations, business journals and reports to Government agencies, e.g. the annual 10-K report to the Securities and Exchange Commission for Public Corporations. c. Research the Data • Is there sufficient quality data to make a sound determination of responsibility? • All prospective contractors are nonresponsible until proven otherwise. • It is incumbent upon serious bidders to prepare and present their own cases of responsibility to contracting Government agencies. • Without a sound judgment on contractor responsibility by the contracting agency, there can be no award.	

TOPIC:	7.3 DETERMINE RESPONSIBILITY
REF:	TR 7-8 through 7-17
OBJECTIVE:	To teach the students the standards and procedures for determining contractor responsibility.
TIME:	1:10 p.m.— 70 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-8	7.3 Determining Responsibility: General Statement The more efficient process for determining responsibility is first to determine if the bidder is "otherwise qualified and eligible" to receive further consideration. This is accomplished by examining the bidder's certifications and/or representations.	
TR 7-9	7.3.1 Qualified and Eligible Bidders a. This is the first of the "seven" general standards of responsibility. • The fact that an offeror is not eligible will be evident in Section K of the IFB, certifications and representations. • Eligibility factors may include the prospective contractor's qualifications under the Walsh-Healy Public Contracts Act or the company's status as a small business. • Other factors include: - Affirmative action compliance - Procurement integrity awareness - Compliance reports for previous contracts - Certifications for nonsegregated facilities, clean air and water, and a drug-free workplace.	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-10	7.3.1.1 Walsh Healy Public Contracts Act a. This act applies to all contracts with a value greater than $10,000 that deliver materials, supplies, articles and equipment. • Such contracts shall be with manufacturers, or regular dealers of the goods being offered who certify they comply with the Act's stipulations concerning minimum wages, child labor laws, safe and sanitary working conditions, etc. b. A bidder qualifies as a manufacturer under the Walsh Healy Act if: • Before award, the bidder demonstrates his/her manufacturing capability of the goods sought by the Government. • The bidder possesses the facilities, equipment and personnel to manufacture under the contract. • The bidder is just entering the manufacturing field, but has all the equipment and facilities to accomplish the work.	
TR 7-11	c. A bidder qualifies as a regular dealer under the Act if: • The bidder maintains an establishment or place of business where he/she regularly deals in the goods being offered to the Government. • The goods are stocked to and sold from a regular inventory on a recurring basis. • Sales are made on a regular basis to the public and not exclusively to Government agencies.	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-11	7.3.1.1 Walsh Healy Public Contracts Act (Cont.) • The business is an established and going concern. It is not sufficient to show that arrangements have been made to set up such a business in order to attract Government contracts. • Bidders are required to represent their status or non-status as a regular dealer or manufacturer in the IFB. • Bidders are ineligible for award if they are not regular dealers or manufacturers. • COs may have to investigate a bidder's claims when other contractors protest, or, when the preaward survey suggests a particular dealer may not be a regular dealer or manufacturer. • A bidder is in line for his/her first contract, and the acquisition office makes a determination to investigate the bidder's eligibility.	
TR 7-12	d. Exceptions to the Act. • Public urgency or perishable products. • Public utility services, periodicals or supplies manufactured outside the U.S.	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-12	7.3.1.1 Walsh Healy Public Contracts Act (Cont.) e. The CO must determine if the low bidder is a manufacturer or a regular dealer. If the low bidder is not eligible to receive the award, the CO will determine the bidder to be nonresponsible and will then consider the next low bidder. Appeals from bidders ruled to be nonresponsible may be forwarded to the Department of Labor, or in the case of a small business, to the Small Business Administration.	
	f. From the simulation exercise, review the case of ABC Grease Co. • Is this firm qualified and eligible? • Is it responsible or nonresponsible?	

IS THIS BIDDER RESPONSIBLE?

INSTRUCTIONS: Revisit the simulation exercise to discuss the case of ABC Grease Co.

BIDDER 3 ABC GREASE

Issue: 1. In a letter submitted with its bid, and signed by ABC's President, ABC stated the following:

"We are not presently a dealer or manufacturer of this type grease. However, we are willing to organize a company in the event an award is made to us and if we can be assured of more contracts in the future. We do not presently have an idle plant but are willing to acquire and set up a new plant for the benefit of the armed forces."

1. Is ABC Grease Co. a qualified dealer or manufacturer? If not, why not?

ANSWER: No. They do not have a firm commitment for manufacturing space, equipment and personnel to perform on its own premises the manufacturing operations. FAR 22.606-1(a)(2).

2. What if ABC Grease Co. had an agreement with X Co. to use its plant in the event ABC got the contract? (X Co. is a manufacturer).

ANSWER: No. Still not a manufacturer even if they made legally binding commitments since the rent, use or sharing of the manufacturing or production establishment of another legal entity does not meet this requirement. FAR 22.606-1(c).

3. What if ABC Grease Co. had stated that it had a firm commitment for a dealership in this type item, and that the entire operation, including stocks in the warehouse, will be opening approximately 2 months after bid opening?

ANSWER: Not responsible. Bidder must be able to show that his business is an established and going concern before contract award. Sales must have been made to the general public before award in an amount to establish the fact that the business is a going concern. It is not sufficient to show that arrangements have been made to set up such a business. FAR 22.606-2. <u>You must be responsible at the time of award.</u>

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-13	7.3.2 Applying Other General Standards a. Upon determining the low bidder to be qualified and eligible, the next step is to apply the remaining general standards of responsibility and any specific standards that may be applicable. b. VG's 7-12 and 7-13 display the general standards of responsibility. Show the VGs and discuss each general standard in turn.	
VGs 7-12 7-13	**GENERAL STANDARDS** A prospective contractor is responsible if it: • Is qualified or eligible to receive an award. • Has a satisfactory record of performance. • Has the necessary organization, experience, accounting and operational controls, and technical skills. VG 7-12	
	GENERAL STANDARDS (Cont.) A prospective contractor is responsible if it: • Has the necessary production, construction, technical equipment and facilities. • Has adequate financial resources. • Is able to comply with the delivery schedule. • Has a satisfactory record of integrity. VG 7-13	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-14	7.3.2.1 Past Performance a. Past failure to apply sufficient tenacity and perseverance to perform acceptably is strong evidence of nonresponsibility. The overall record of past performance will determine a firm to be responsible or nonresponsible. b. Has the firm been able to meet delivery schedules on present or past Government contracts? c. Have the firm's products conformed to specifications on previous contracts? Are the products shoddy or well-made? d. Check the historical files. Is the firm always late? Are there mitigating circumstances for the firm's past poor performance? e. What has been the relationship with parent or predecessor companies? Poor performance by affiliated companies may impact a decision for nonresponsibility. f. In the absence of sufficient data to make a quantified decision regarding past performance, a preaward survey may be requested. 7.3.2.2 Capability to Perform a. The prospective contractor must have the necessary organization, experience, accounting and operational controls and technical skills, plus the facilities and equipment to complete the contract.	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-14	7.3.2.2 Capability to Perform (Cont.) b. There must be acceptable evidence that the contractor has made arrangements or agreements with subcontractors to perform work or provide certain supplies and/or facilities at the time of contract. • Does the firm have the ability to manage a Government contract? • Does the firm have the technical skills, equipment and facilities to build the product?	
TR 7-15	7.3.2.3 Financial Ability a. Contractors must be able to prove they will not go bankrupt before delivering the product. Bidders should be willing to provide evidence of their financial health up front to the contracting office during determinations of responsibility. b. Bidder financial statements, cash flow projections, bank statements and tax returns are all very helpful in assisting the CO to make his/her determination of financial ability. c. Will the contractor make a profit from the contract? The Government does not have a problem with contractors making a reasonable profit for their work, but when "buy-in" bids are submitted, the CO will carefully examine the firm's ability to sustain a loss on the contract and still continue to operate. Just because a firm is willing to sustain a loss does not automatically mean it is nonresponsible.	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-16	7.3.2.4 Availability to Perform a. Will this contractor be able to deliver on time? The CO must prove the bidder able to meet his/her delivery schedule. - Has the bidder overcommitted by taking on this contract? - Is there any past history of delivery problems? - The contractor must show written commitments from suppliers and subcontractors to provide materials and items necessary to meet the Governments requirements on schedule. b. The key question the CO must ask is, "Does the prospective contractor possess the adequate resources to bear on the Government's requirements, given other commercial and/or Government commitments?" 7.3.2.5 Contractor Integrity a. The prospective contractor must have a satisfactory record of integrity and business ethics. Have there been criminal violations by the company or its employees? b. Have affiliated or parent companies been guilty of wrongdoing? - Are any subcontractors guilty of criminal violations? - The CO must answer these questions in determining a firm's responsibility.	

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
CM 7-4	Conduct Case Study 7-1, "You Make the Call."	
	a. Walk the students through this case study.	
	b. Explain which general standards apply and why.	
TR 7-5	c. Advise the students that this case study, plus case studies 7-2 and 7-3, are all actual cases requiring GAO decisions.	
TR 7-6	d. Following completion of the case studies, point out to the students that, in each case, the GAO decision supported the CO's determinations of nonresponsibility.	
TR 7-7	**Time for Afternoon Break. 2:20 p.m.**	

YOU MAKE THE CALL!—CASE #7-1

BACKGROUND: IFB FOR MARINE FENDERS

- One Year Term Contract
- Delivery - 185 days after orders placed

Two bids received

- X-Tyal low bidder
  *Determined to be responsive
  *Preaward survey recommended Award

Award? No Award?

C.O.DETERMINATION: NO AWARD

NONRESPONSIBLE because:

- Preaward survey not adequately supported.
  - Delivery Problems exist where X-Tyal is the subcontractor.
  - Also, X-Tyal will not expedite even though fenders are critically needed.
  - X-Tyal currently has 11 contracts 7 of which are delinquent.

Which standards are being used by the CO to make his/her determination?

Answer: **Availability** [Is able to comply with the required delivery schedule - section 7.3.2.4] NO.
and **Record** of **Past Performance** [Has a satisfactory record of performance - section 7.3.2.1]NO.

X-TYAL'S POSITION: RESPONSIBLE because:

- Prime Contractor filed a petition for bankruptcy where X-Tyal was the subcontractor. X-Tyal feared it would not be paid for any deliveries made to Prime.
- A fire at X-Tyal Plant forced it to move to a new location.
- Preaward survey states X-Tyal has the capacity to perform.
- X-Tyal's production capacity was disrupted due to a labor strike. This is an excusable delay explaining the 7 delinquent contracts.

Award? No Award?

GAO DECISION: NONRESPONSIBLE because:
NO AWARD.

CONTRACTING OFFICER MAY DETERMINE A BIDDER TO BE NONRESPONSIBLE DESPITE A FAVORABLE PREAWARD SURVEY WHEN OTHER INFORMATION INDICATES THAT A NEGATIVE DETERMINATION IS WARRANTED.

THE CONTRACTING OFFICER'S DETERMINATION IN THIS CASE HAD A REASONABLE BASIS.

HOWEVER, AS SEEN BY THE CONTRACTING OFFICER AT THE TIME OF HIS DETERMINATION, X-TYAL HAD **RECENTLY MOVED TO A NEW FACILITY**, HAD **UNDERGONE A LABOR STRIKE** AT THE NEW FACILITY WHICH JUST ENDED, AND **WAS DELINQUENT ON A MAJORITY OF ITS GOVERNMENT CONTRACTS.**

CONSIDERING THAT THE ITEMS CALLED FOR WERE URGENTLY NEEDED, DUE IN PART TO DELIVERY DELAYS UNDER THE REVERE CONTRACT, WE BELIEVE THE CONTRACTING OFFICER COULD REASONABLY CONCLUDE THAT X-TYAL WAS **NONRESPONSIBLE**.

YOU MAKE THE CALL!—CASE #7-2

BACKGROUND:

- RFP ISSUED BY THE DEPARTMENT OF THE ARMY.
- FOR MAINTENANCE REPAIRS AND SIMILAR SERVICES ON OIL AND COAL BOILERS.
- THE BOILER SERVICES WERE URGENTLY NEEDED BECAUSE OF THE ONSET OF THE WINTER HEATING SEASON IN GERMANY.
- **GMBH** (A SUBSIDIARY OF POPE, INC.) SUBMITTED THE LOWEST BID FOR THREE GEOGRAPHIC AREAS.
- A PREAWARD SURVEY OF GMBH RECOMMENDED NO AWARD FOR THE FOLLOWING REASONS:

  - LIMITED FINANCIAL RESOURCES
  - NO FACILITIES AND EQUIPMENT
  - NO ACCOUNTING SYSTEM
  - NO QUALITY ASSURANCE
  - NO LABOR RESOURCES
  - NO ARRANGEMENTS TO ACQUIRE THE RESOURCES
  - NO PAST PERFORMANCE RECORD

BASED ON THE PREAWARD SURVEY THE CONTRACTING OFFICER FOUND THE FIRM TO BE NONRESPONSIBLE.

POPE (ON BEHALF OF ITS GERMAN SUBSIDIARY, GMBH) PROTESTS THE CO's DETERMINATION FOR THE FOLLOWING REASONS:

- POPE HAD CABLED GMBH THAT IT WAS “WILLING AND ABLE” TO STAND BEHIND ITS SUBSIDIARY GMBH.
- THE CO HAD A DUTY TO DISCUSS THESE MATTERS WITH GMBH BEFORE HE MADE A FINAL DETERMINATION.
- MANY OF GMBH’S DEFICIENCIES WERE SIMPLY DUE TO THE RECENT CREATION OF THE FIRM AND AT THE TIME OF THE PREAWARD SURVEY, IT HAD NOT YET:

  - HIRED ANY WORKERS
  - ESTABLISHED AN ACCOUNTING SYSTEM
  - HAD EXTREMELY LIMITED FINANCIAL RESOURCES

- POPE ALSO ALLEGES:

  - AN EXISTING WORK FORCE WAS NOT REQUIRED BY THE RFP.
  - GMBH ADVISED THE PREAWARD SURVEY TECHNICIAN THAT IT WOULD USE THE SAME ACCOUNTING SYSTEM AS THE PARENT COMPANY.
  - AS EVIDENCE OF ITS FINANCIAL CAPABILITY, GMBH FURNISHED A LETTER FROM A NEW YORK BANK EXTENDING A $2,000,000 LINE OF CREDIT TO THE PARENT COMPANY.

B-200265 JULY 14, 1981

QUESTIONS:

WHICH GENERAL STANDARD(S) DID THE CONTRACTING OFFICER USE AS A BASIS FOR HIS DETERMINATION?

1. **GENERAL STANDARDS**
   1) **FINANCIAL RESOURCES**—CABLE AND LETTER WERE INSUFFICIENT.
   2) **AVAILABILITY**—NEW FIRM-NO EXISTING LABOR FORCE.
   3) **CAPABILITY**—NO QUALITY CONTROL, NO FACILITIES & EQUIPMENT, NO ACCOUNTING SYSTEM.
   4) **RECORD OF PAST PERFORMANCE**—NEW COMPANY—NO RECORD EXISTED. NO RECORD WAS GIVEN FOR THE PARENT-POPE.

2. CAN THE PARENT COMPANY PROTEST THE RESPONSIBILITY DETERMINATION OF ITS SUBSIDIARY GMBH?

   PARENT COMPANY - YES, Parent company was acting on behalf of its subsidiary, GMBH.

3. WHAT TYPES OF SUPPORTING DOCUMENTS ARE NECESSARY FOR THE GOVERNMENT TO DETERMINE RESPONSIBILITY ON A NEWLY CREATED SUBSIDIARY?

   SOME FORM OF WRITTEN LEGALLY BINDING COMMITMENT OR EXPLICIT ARRANGEMENTS FOR THE ACQUISITION OF RESOURCES AND PERSONNEL. THE EXTENSION OF $2M LOC WAS TO POPE, NOT TO GMBH.

4. SHOULD THE CO CONSIDER EVIDENCE THAT AN AFFILIATED CONCERN WILL GUARANTEE A BIDDER'S/OFFEROR'S FINANCIAL OR PERFORMANCE CAPABILITY BEFORE MAKING A RESPONSIBILITY DETERMINATION? (<u>YES</u> B-158420 8/1/69)

   A CONTRACTING OFFICER SHOULD CONSIDER EVIDENCE THAT AN AFFILIATED CONCERN WILL GUARANTEE A BIDDER'S/OFFEROR'S FINANCIAL OR PERFORMANCE CAPABILITY. THE BIDDER HAS THE DUTY TO CLEARLY ESTABLISH THAT IT CAN PERFORM A CONTRACT, AND IT NECESSARILY RUNS SOME RISK WHEN IT SEEKS TO RELY ON ANOTHER FIRM'S FINANCIAL CAPACITY WHEN THERE IS NO LEGAL OBLIGATION ON THE PART OF THAT OTHER FIRM TO MAKE THAT CAPACITY AVAILABLE TO THE BIDDER.

(HERE THERE WAS NOTHING RESEMBLING SUCH A GUARANTEE OR ANY OTHER COMMITMENT, BUT ONLY A CABLE STATING THAT THE PARENT WOULD 'STAND BEHIND' GMBH. THIS WAS NOT ADEQUATE TO BIND FINANCIALLY UNDER GERMAN LAW).

5. DOES THE CO HAVE A DUTY TO INDEPENDENTLY GATHER ADDITIONAL INFORMATION TO RESOLVE HIS/HER DOUBTS CREATED BY DATA ALREADY SUBMITTED?

   A CONTRACTING OFFICER HAS NO DUTY TO INDEPENDENTLY GATHER ADDITIONAL INFORMATION TO RESOLVE HIS/HER DOUBTS CREATED BY DATA ALREADY SUBMITTED.

6. DOES THE ABSENCE OF A PAST PERFORMANCE RECORD AUTOMATICALLY DETERMINE A FIRM TO BE NONRESPONSIBLE? NO

   HAD GMBH BEEN FREE OF DISCREPANCIES, IT MAY HAVE INDEED RECEIVED THE CONTRACT.

GAO DECISION:

1. CONTRACTING OFFICER REASONABLY DETERMINED PROTESTER'S NEWLY FORMED SUBSIDIARY CORPORATION WAS NONRESPONSIBLE BECAUSE IT LACKED FINANCIAL RESOURCES OR ABILITY TO OBTAIN SUCH RESOURCES. LETTER ESTABLISHING LINE OF CREDIT FOR PROTESTER DID NOT MENTION SUBSIDIARY CORPORATION AND CABLE STATING THAT PROTESTER WOULD 'STAND BEHIND' SUBSIDIARY CORPORATION WAS INSUFFICIENT TO PROVIDE ASSURANCE THAT PROTESTER POPE WOULD PROVIDE FINANCIAL BACKING FOR CONTRACT TERM.

2. FACT THAT RFP DID NOT REQUIRE OFFEROR TO HAVE EXISTING LABOR FORCE DOES NOT PRECLUDE CONTRACTING OFFICER FROM CONSIDERING, AS PART OF HIS RESPONSIBILITY DETERMINATION, PROSPECTIVE CONTRACTOR'S ABILITY TO OBTAIN PERSONNEL.

3. CONTRACTING OFFICER DID NOT ABUSE DISCRETION BY REFUSING TO DISCUSS NEGATIVE PREAWARD SURVEY FINDINGS WITH OFFEROR WHERE SERIOUS DEFICIENCIES WERE NOTED IN REPORT.

THE PROTEST IS DENIED

YOU MAKE THE CALL!—CASE #7-3

HOW DO I DEFEND THEE?

S.A.F.E. submitted the lowest BID at $8,648.92, to the US Army for an intrusion detection system and its installation.

That particular procuring activity had no experience contracting with **S.A.F.E.**

The contracting officer requested information from the U.S. Army Contracting Agency-Europe, whereupon they advised:

- S.A.F.E. had been found responsible under two recent procurements for smoke detectors:
  - based on the fact that an experienced subcontractor would perform the required installation work.
- S.A.F.E. had satisfactorily performed six relatively small dollar value contracts for the installation of smoke detectors.
- Four S.A.F.E. contracts had been recently terminated for default because of its refusal to follow the contracting officer's directions and,
- S.A.F.E. had encountered difficulty with the agency in performing two other contracts.
- The best that can be determined is that S.A.F.E.'s U.S. address was merely a mail drop with no employees, and that S.A.F.E. had no known plant or employees in Europe.
- This agency was not aware whether S.A.F.E. had been awarded a contract for intrusion alarm systems within the past year.

AWARD?	NO AWARD?
RESPONSIBLE?	NONRESPONSIBLE?

INSTRUCTOR-LED QUESTIONS:

B-208744.2 July 14, 1983

WHICH GENERAL STANDARDS DID YOU USE ON WHICH TO BASE YOUR DECISION?

DO prior default terminations require rejection of a firm as nonresponsible? (NO) Environmental Growth Chambers, B-210333, October 8, 1981, 81-2 CPD 286.

S.A.F.E. - Remind students - much of the negative information was more than 12 months old.

S.A.F.E. - Should the CO seek out information from sources other than the agency? YES.

S.A.F.E. - Is S.A.F.E. qualified under Walsh-Healy? NO.

INSTRUCTOR'S NOTES:

S.A.F.E.'S POSITION:

S.A.F.E. argues that the contracting officer's determination was unreasonable because:

- he failed to consider that each of the default terminations has been appealed by S.A.F.E. to the Armed Services Board of Contract Appeals (ASBCA) and,
- it ignored the positive portions of the agency report which indicated that S.A.F.E. had been determined responsible under two procurements and had successfully completed eight contracts.
- the portions of the agency's report concerning S.A.F.E.'s lack of facilities was outdated, based on rumor and untrue.
- much of the negative information in the report was more than 12 months old and,
- the agency failed to state that S.A.F.E. had in fact successfully installed intrusion detection systems like that called for under the subject procurement.
- if the contracting officer truly wanted to investigate S.A.F.E.'s capabilities, he would have contacted more than one source. S.A.F.E. maintains that the contracting officer and the agency deliberately attempted to construct a record in order to deny S.A.F.E. the award.

GAO DECISION

In the decision, we upheld the contracting officer's nonresponsibility determination which was based on data supplied by another procurement activity. This data showed that S.A.F.E. had significant problems performing prior contracts, that it had suffered four default terminations and that it had been determined nonresponsible on several prior occasions because of its poor performance record and apparent lack of facilities.

S.A.F.E. disputes our conclusion that this data was sufficient to support the contracting officer's determination. S.A.F.E. argues that terminations for default alone are not necessarily a basis for rejecting a firm as nonresponsible, and that the contracting officer improperly relied on negative information from a distant contracting activity while ignoring more positive data available from nearby contracting activities.

We agree that prior default terminations do not necessarily require rejection of a firm as nonresponsible. Our decision, however, was not based on that premise. We merely stated that 'a termination for default is a proper matter for consideration in determining bidder responsibility despite a pending appeal. Environmental Growth Chambers, B-210333, October 8, 1981, 81-2 CPD 286.' **The contracting officer's determination was based on those default terminations, as well as S.A.F.E.'s prior poor performance under other contracts and evidence that S.A.F.E. did not have adequate facilities.**

The Protest is Denied.

TOPIC: 7.3 DETERMINE RESPONSIBILITY (Cont.)

TIME: 2:40 p.m.— 5 minutes

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-16	7.3.3 Applying Special Standards a. For some acquisitions, it may be necessary to use special standards along with the general standards just discussed to determine a prospective contractor's responsibility. Special standards must be clearly stated in the IFB. Some examples are:	
TR 7-17	• Requirements for specialized technical experience or expertise. • Requirements for specialized facilities, i.e., those handling foodstuffs, that must comply with strict sanitation codes. • Written guarantees for continuous supplies of certain items or products. b. Experience requirements must not be unduly restrictive, and the CO must be willing to abide by them after the results of the bidding have been seen, e.g., the contractor has performed this work before, or has manufactured a particular item for a minimum number of years. c. New firms may also compete under special standards, especially if the firm's principal officers possess the requisite experience or expertise. d. Special standards may also apply to subcontractors undergoing determinations of responsibility.	

TOPIC:	7.4 REQUEST A PREAWARD SURVEY
REF:	TR 7-18 through 7-26
OBJECTIVE:	To familiarize the students with the procedures for requesting preaward surveys.
TIME:	2:45 p.m.—15 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-18	7.4 Request a Preaward Survey-General Statement a. The CO may request that a surveying activity conduct an evaluation of a prospective contractor's capability to perform a proposed contract because: • The information available is not sufficient to determine a contractor's responsibility. • The contractor has a record of poor past performance. • The CO anticipates problems with the SBA over the issue of competency. • NISH/NIB requests assistance for a workshop b. Ordinarily, the CO does not request a preaward survey for contracts valued at less than $25,000 or less than $100,000 for those involving commercial products only. c. The greater the dollar value of the contract, the greater the detail in conducting the survey. d. Under certain conditions, subcontractors may also be included in the prime contractor's overall evaluation.	
TR 7-19	7.4.1 Preparing a Request for Preaward Survey a. Use SF 1403 to request the preaward survey and forward to the contract administration office. Items included are: • Areas that require additional information.	

TOPIC: 7.4 REQUEST A PREAWARD SURVEY (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-19	7.4.1 Preparing a Request (Cont.) • The complete solicitation package. • Any known prior unsatisfactory performance. • CO participation in the survey, if any. • The due date of the survey. • Any limits to scope or detail.	
TR 7-21	7.4.2 SF 1403 Breakdown a. Examples of the SF 1403 are located in the TR at exhibits 7-10 and 7-11 on pp. 7-22 and 7-24 respectively. Refer the students to the exhibits. b. When the survey is complete, the surveying activity will recommend to the CO: • Complete award • Partial award (and quantity) • No award	
TR 7-26	7.4.3 Review of Survey Report a. The CO studies the report and its recommendation. He/she weighs the report against previously gathered information on contractor responsibility. b. The CO makes the award/no award decision based on all gathered information, not just on the recommendation of the surveying activity. c. The CO may ask the surveying activity to conduct additional analysis as appropriate to enhance the decision making process.	

TOPIC:	7.5 DETERMINE THE RESPONSIBILITY OF SMALL BUSINESS CONCERNS
REF:	TR 7-26 through 7-30
OBJECTIVE:	To explain the interaction of the CO and the SBA in determining responsibility for small businesses.
TIME:	3:00 p.m.—15 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-26	7.5 Determine the Responsibility of Small Business Concerns—General Statement a. For small businesses, the standards and procedures for determining responsibility are essentially the same as for large concerns. However, if the CO determines a small business to be nonresponsible, he/she must refer the matter to the SBA for final resolution. b. The small business will be offered the opportunity to apply for a COC (Certificate of Competency) which, if approved, restores the small business to competition in the award process. If the small business was the low bidder and is granted a COC, the CO may have no other choice but to award the contract.	
TR 7-27	7.5.1 Procedures for Issuing the COC a. When the CO determines that a small business is nonresponsible, he/she proceeds as follows: • Show VG 7-15 Now!	
VG 7-15	**SMALL BUSINESS RESPONSIBILITY** If Small Business is nonresponsible, CO will: • Withhold contract award; and • Refer the matter to the SBA Regional Office, except if the small business concern is: - Unqualified and ineligible - On the "List" VG 7-15	

TOPIC: 7.5 DETERMINE THE RESPONSIBILITY OF SMALL BUSINESS CONCERNS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-28	7.5.1 Procedures for Issuing the COC (Cont.) • The CO provides information to the SBA that supports the finding of nonresponsibility. b. Generally, within 15 business days following notification by the CO, the SBA will take the actions depicted in VG 7-16. • Show VG 7-16 now!	
VG 7-16	**SBA ACTIONS CONCERNING NONRESPONSIBILITY** • Inform the small business concern of the nonresponsibility determination and the opportunity to apply for a COC. • Upon receipt of the application, send an SBA team to visit the concern. • If a COC is recommended, provide advance notice of the proposed action to the CO. VG 7-16	
TR 7-29	c. • Should the CO disagree with the COC recommendation, he/she may appeal to the SBA Central Office for a final decision. d. • The SBA Regional Administrator will act as follows: - Confirm the CO's finding of nonresponsibility, or - Direct that the COC be issued. - In either case, notifies the small business concern and the local SBA office of the action taken.	

TOPIC:	7.5 DETERMINE THE RESPONSIBILITY OF SMALL BUSINESS CONCERNS (Cont.)	
	LESSON PLAN	
Ref.	**Steps In Presenting The Topic**	**Instructor Notes**
TR 7-30	7.5.2 Awarding the Contract After the COC Process Has Begun (three situations). a. If the CO obtains new information that supports a determination of responsibility, the CO shall: • Reverse the finding of nonresponsibility. • Notify the SBA. • Withdraw the SBA referral, and • Proceed to award the contract. b. The SBA issues the COC after having received the CO's referral; the small business concern is awarded the contract, provided it remains otherwise eligible. c. If SBA has not issued a COC within 15 business days (or a longer period as negotiated with SBA) from the date the referral was received, the CO shall proceed with the acquisition and award the contract to another appropriately selected and responsible bidder. • In the interest of good business and good intra-agency relationships, the CO should maintain close liaison with his/her SBA counterparts. • Many conflicts, disputes and misunderstandings can be resolved easily if the CO, the SBA and the small businesses themselves establish effective communications.	

TOPIC:	7.6 OBTAINING PREAWARD EEO CLEARANCE FROM THE DEPARTMENT OF LABOR
REF:	TR 7-30 through 7-31
OBJECTIVE:	To review the requirements for obtaining equal employment opportunity clearance from the Department of Labor
TIME:	3:15 p.m.—5 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 7-30	7.6 Obtaining Preaward EEO Clearances a. It is necessary to obtain EEO clearances from the DOL Office of Federal Contract Compliance Programs (OFCCP) when the value of the contract is expected to equal or exceed one million dollars. The rules also apply to subcontracts totaling one million dollars or more. b. The CO forwards his/her request for EEO clearance in writing to the required office of the OFCCP at least 30 calendar days before the proposed award date.	
TR 7-31	c. If the clearance, or reasons for noncompliance, is not received within 45 days, the CO may award. OFCCP is notified. d. Awarding the contract without an EEO clearance may be made in some cases of urgent or critical need. • In such cases, the CO will provide a written notification/justification to the head of the contracting activity, who, in turn, will notify OFCCP.	
TR 7-32	Refer the students to Exhibit 7-16 at TR 7-32 for a summary decision table on determining responsibility.	

Time: 3:20 p.m.

AND THE WINNER IS?

Homework Assignment

INSTRUCTIONS: Assign each student the task of recommending the LOW, RESPONSIVE, RESPONSIBLE BIDDER(S) for the simulation exercise. The students are to:

1. Identify late bids and disregard them from consideration.
2. Identify any bidder who has offered an unacceptable bid acceptance period.
3. Reject all nonresponsive bidders.
4. Calculate bids to determine low bidders.
5. Recommend award to responsible bidder(s) only.

ADVISE THE STUDENTS THAT FOREVER WAS ALLOWED TO WITHDRAW FROM COMPETITION BECAUSE THE EXISTENCE OF ITS MISTAKEN BID COULD BE ESTABLISHED BUT NOT THE INTENDED PRICE.

In order for the students to complete this exercise, you must give them the shipping costs for the origin bids. WRITE THESE COSTS ON THE BOARD.

ALSO, if the students do not have calculators, you may give them copies of the calculations of the extended prices for this exercise. The preaward surveys for several of the bidders have been completed for the students' use in making their recommendations. CM 7-10 through 7-18. Students' recommendations for award are due Friday morning.

Time: 3:30 p.m. End of Day Four.

SEALED BIDDING-SIMULATION EXERCISE
AWARD DETERMINATION

TRANSPORTATION COSTS

Furnished by the Transportation Officer on a per pound basis.

ORIGIN	**DESTINATION** ITEM (A) New Cumberland, PA	ITEM (B) Texarkana, TX
Tex-Good, Texarkana, TX	$ .50	$ .10
Tru-Test, New York, NY	.20	.48
Robert & Sons	.10	.50
ABC (Destination only)		
Casco Incorporated (Destination Only)		
Forever (Destination only)		

The following list shows the evaluated total prices of the responsive bidders. The evaluated prices include transportation.

Company		**Item**		**Item**	**Totals**
		0001(A) 200,000 lb		**0001(B) 265,120 lb**	
Tex-Good	Dest	$520,000	Dest	$662,800.00	$1,182,800.00
	Origin	$590,000	Origin	$636,288.00	$1,226,288.00
ABC (dest.only)	Dest	$524,000		$434,796.80	$ 958.796.80
*Tru-Test	Dest	$494,000	Dest	$721,126.40	$1,215,126.40
	Origin	$510,000	Origin	$790,057.60	$1,300,057.60
Forever (dest.only)	Dest	$ 52,000		$ 66,280.00	$ 118,280.00
Robert & Sons	Dest	$520,000	Dest	$692,493.44	$1,212,493.44
	Origin	$536,000	Origin	$821,872.00	$1,357,872.00
Casco Inc.	Dest.	$516,600	Dest	$689,577.12`	$1,206,177.12

*All-or-None

CALCULATIONS FOR SIMULATION EXERCISE

To help the students complete the exercise, the unit prices bid have been extended to show total price.

Item 0001(A)	200,000 lbs.
2.25	$450,000
2.35	$470,000
2.45	$490,000
2.47	$494,000
2.50	$500,000
2.55	$510,000
2.58	$516,000
2.582	$516,400
2.583	$516,600
2.59	$518,000
2.591	$518,200
2.60	$520,000
2.605	$521,000
2.62	$524,000
2.68	$536,000
2.95	$590,000

Item 0001 (B)	265,120 lbs.
1.64	$434,796.80
2.25	$596,520.00
2.30	$609,776.00
2.40	$636,288.00
2.50	$662,800.00
2.52	$668,102.40
2.58	$684,009.60
2.594	$687,721.28
2.598	$688,781.76
2.601	$689,577.12
2.603	$690,107.36
2.630	$697,265.60
2.72	$721,126.40
2.98	$790,057.60
3.10	$821,872.00

PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR (GENERAL)	1.Serial No. (For surveying activity use)	FORM APPROVED OBM NO: **3090-0110**

SECTION I - REQUEST (For Completion by Contracting Office)

2. NAME AND ADDRESS OF SURVEYING ACTIVITY **QUALITY ASSURANCE BRANCH** **ARMY DEPOT** **NEW CUMBERLAND, PA**	3. SOLICITATION NO. **DAB-T59-8X-B001**	4.TOTAL OFFERED PRICE: **$1,300,057.60**
	5. TYPE OF CONTRACT **FIRM FIXED PRICE, DEFINITE QUANTITY**	
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) **CREDIT & FINANCE DIVISION** **ARMY DEPT** **NEW CUMBERLAND, PA**	7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR **TRUTEST OIL COMPANY** **23 EAST WHIPPLE STREET** **NEW YORK, NY 10038**	
6B. TELEPHONE NO. (Include Wats/FTS if available)		

8. Will Contracting Office Particpate in Survey? ☐ YES ☐ NO		12. WALSH-HEALEY CONTRACTS ACT (Check applicable box (es))	A. IS NOT APPLICABLE B.Is applicable & proscpective contractor represents his classification as: ☐ MANUFACTURER ☐ REGULAR DEALER ☐ OTHER (specify)
9. DATE OF THIS REQUEST	10. DATE REPORT REQUIRED ASAP		
11. Prospective contractor represents that ☐ IS ☐ IS NOT A Small Business Concern			

13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) **TEX OIL COMPANY** **2525 BIG BEN DRIVE** **DALLAS, TEXAS 75555** E.I. # E2578312	14. PLANT AND LOCATION (if different from Item 7, above) **SAME AS BLOCK 7**
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM	16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)
15B. SIGNATURE ***JOHN BLOOM***	
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212	16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)

17. FIRM'S CONTACT FOR SURVEY

A. NAME AND TITLE JANE TILLMAN	B. TELEPHONE NO. (Include Area Code) (600)555-2323

SECTION II -- DATA (For completion by Contracting Office)

18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE (a)	(b)	(c)	(d)	(e)
		SOLICITED	**200,000**	ORIGIN/DEST.	**SEE**	**SOL.**			
001A	**AIRCRAFT GREASE**	OFFERED	**200,000**	**$2.35 /2.47**					
		SOLICITED	**265,120**	ORIGIN/DEST.	**SEE**	**SOL.**			
001B	**AIRCRAFT GREASE**	OFFERED	**265,120**	**$2.50/2.72**					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					

NSN 7540-01-140-5525 **1403-101** **STANDARD FORM 1403 (10-83)**
prescribed by GSA
FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSAT (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSAT (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT?				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER (SPECIFY)			
☐ YES ☐ NO							

22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION?
☐ YES ☐ N0

23. Remarks

1. **Production Capability**: TruTest is a large business handling over 2 million lbs. of aircraft grease per month. TruTest's suppliers are all manufacturers of products which meet the specifications. TruTest has current inventory sufficient to supply the entire quantity within a 10 day period. TruTest has written commitments from all four suppliers. TruTest does not handle small orders and generally is the supplier for over 50 airports including O'Hare in Chicago and Kennedy in New York.

2. **Quality Assurance**: TruTest maintains an excellent quality control program. All shipments are inspected by two officials. Records are well organized and maintained. A copy of all manufacturers testing and inspection records are provided to TruTest.

3. **Transportation**: TruTest has agreements with nine transportation companies. Their facility can handle over 50 tractor trailers per day.

4. **Packing and Marking**: TruTest has a sophisticated materiel handling system. Packing methods exceed the minimum acceptable requirement. Marking is no problem.

5. **Financial survey**: TruTest is a division of Tex Oil Company. Since separate figures were not releasable on Tex Oil, the legally liable entity, TruTest furnished a properly executed Corporate Guarantee. See attached.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITEL OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
☐ A. COMPLETE AWARD ☐ B. PARTIAL AWARD (QUANTITY) ☐ C. NO AWARD	25C. SIGNATURE	25D. DATE

STANDARD FORM 14032 BACK (10/83)

TEX OILCOMPANY

2525 Big Ben Drive
Dallas, TX 75555
Phone: (700)555-1000

CORPORATE GUARANTY

In consideration for the award of any contract by the U.S. Government pursuant to Solicitation DAB-T59-8XB001 of our subsidiary TruTest Oil Company; 23 East Whipple Street; New York NY 10038, we, TexOil Company, hereby agree to be the legally liable entity in case of default or termination not at the convenience of the Government.

_____
Marshall M. Miller
Vice President
March 19, 1990

Sworn to and subscribed
before me this 19th day of
March, 1990

_____
Susanne E Reeves, Notary Public
Dallas, Texas
My Commission Expires July 12, 1991

SECTION I - REQUEST (For Completion by Contracting Office)

2. NAME AND ADDRESS OF SURVEYING ACTIVITY **QUALITY ASSURANCE BRANCH** **ARMY DEPOT** **NEW CUMBERLAND, PA**	3. SOLICITATION NO. **DAB-T59-8X-B001**	4.TOTAL OFFERED PRICE: **$1,182,800.00**
	5. TYPE OF CONTRACT **FIRM FIXED PRICE, DEFINITE QUANTITY**	
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) **CREDIT & FINANCE DIVISION** **ARMY DEPT** **NEW CUMBERLAND, PA**	7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR **TEX GOOD COMPANY** **1030 FAR HILLS** **TEXARKANA, ARKANSAS 74501**	
6B. TELEPHONE NO. (Include Wats/FTS if available)		
8. Will Contracting Office Particpate in Survey? ☐ YES ☐ NO	12. WALSH-HEALEY CONTRACTS ACT (Check applicable box (es))	A. IS NOT APPLICABLE B.Is applicable & proscpective contractor represents his classification as: ☐ MANUFACTURER ☐ REGULAR DEALER ☐ OTHER (specify)
9. DATE OF THIS REQUEST / 10. DATE REPORT REQUIRED ASAP		
11. Prospective contractor represents that ☐ IS ☐ IS NOT A Small Business Concern		
13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) **NONE**	14. PLANT AND LOCATION (if different from Item 7, above) **SAME AS BLOCK 7**	
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM	16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)	
15B. SIGNATURE ***JOHN BLOOM***		
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212	16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)	

17. FIRM'S CONTACT FOR SURVEY

A. NAME AND TITLE JANE TILLMAN	B. TELEPHONE NO. (Include Area Code) (600)555-2323

SECTION II -- DATA (For completion by Contracting Office)

18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE (a)	(b)	(c)	(d)	(e)
		SOLICITED	**200,000**	ORIGIN/DEST.	**SEE**	**SOL.**			
001A	**AIRCRAFT GREASE**	OFFERED	**200,000**	**$2.45 /2.60**					
		SOLICITED	**265,120**	ORIGIN/DEST.	**SEE**	**SOL.**			
001B	**AIRCRAFT GREASE**	OFFERED	**265,120**	**$2.30/2.50**					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					

NSN 7540-01-140-5525 **1403-101** **STANDARD FORM 1403 (10-83)**
prescribed by GSA
FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSAT (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSAT (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT?				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER (SPECIFY)			
☐ YES ☐ NO							

22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION?
☐ YES ☐ N0

23. Remarks

1. **Production Capability**: Although, TexGood has not received any prior Government contracts for aircraft grease, their supplier is a manufacturer and has supplied the required grease directly to the Government. Tex Good does have a firm commitment from the manufacturer to supply the required amount of grease in the stated delivery period. TexGood's current available space is sufficient to handle the additional quantity for both items.

2. **Quality Assurance**: Tex Good has no formal or informal quality assurance program. The manufacturer does not forward inspection and test reports to indicate compliance with the required specifications. TexGood does not perform these tests. This area is inadequate.

3. **Transportation**: The bidder is currently shipping approximately 25 tractor trailers per month of grease and other lubricants. The IFB would not significantly increase his shipping requirements. The bidder is set up to handle either destination or origin shipping arrangements.

4. **Packing and Marking**: The manufacturer ships the grease to the bidder in accordance with the packing requirements of MIL STD 290. The bidder has not previously marked shipments for the Army but has sufficient equipment to handle this requirement.

5. **Financial survey**: This is a qualified marginal approval due to unbalanced financial condition of subject. After subtraction of large intangible debt, net worth is negative. Total debt is very heavy. Operations are profitable however. Working capital appears adequate and they have a low six figure line of credit available for use.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITEL OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
☐ A. COMPLETE AWARD ☐ B. PARTIAL AWARD (QUANTITY) ☐ C. NO AWARD	25C. SIGNATURE	25D. DATE

STANDARD FORM 14032 BACK (10/83)

PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR (GENERAL)	1.Serial No. (For surveying activity use)	FORM APPROVED OBM NO: **3090-0110**

SECTION I - REQUEST (For Completion by Contracting Office)

2. NAME AND ADDRESS OF SURVEYING ACTIVITY	3. SOLICITATION NO.	4.TOTAL OFFERED PRICE:
QUALITY ASSURANCE BRANCH **ARMY DEPOT** **NEW CUMBERLAND, PA**	**DAB-T59-8X-B001**	**$1,212,493.44**
	5. TYPE OF CONTRACT **FIRM FIXED PRICE, DEFINITE QUANTITY**	

6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only)	7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR
CREDIT & FINANCE DIVISION **ARMY DEPT** **NEW CUMBERLAND, PA**	**ROBERT & SONS** **1065 BROADWAY** **DOVER, DELAWARE 00011**
6B. TELEPHONE NO. (Include Wats/FTS if available)	

8. Will Contracting Office Particpate in Survey? ☐ YES ☐ NO		12. WALSH-HEALEY CONTRACTS ACT (Check applicable box (es))		A. IS NOT APPLICABLE
9. DATE OF THIS REQUEST	10. DATE REPORT REQUIRED ASAP			B.Is applicable & proscpective contractor represents his classification as: ☐ MANUFACTURER ☐ REGULAR DEALER ☐ OTHER (specify)
11. Prospective contractor represents that ☐ IS ☐ IS NOT A Small Business Concern				

13. NAME AND ADDRESS OF PARENT COMPANY (if applicable)	14. PLANT AND LOCATION (if different from Item 7, above)
NONE	**SAME AS BLOCK 7**

15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM	16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)
15B. SIGNATURE ***JOHN BLOOM***	
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212	16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)

17. FIRM'S CONTACT FOR SURVEY

A. NAME AND TITLE	B. TELEPHONE NO. (Include Area Code)
JANE TILLMAN	(600)555-2323

SECTION II -- DATA (For completion by Contracting Office)

18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE (a)	(b)	(c)	(d)	(e)
		SOLICITED	**200,000**	ORIGIN/DEST.	**SEE**	**SOL.**			
001A	**AIRCRAFT GREASE**	OFFERED	**200,000**	**$2.58 /2.60**					
		SOLICITED	**265,120**	ORIGIN/DEST.	**SEE**	**SOL.**			
001B	**AIRCRAFT GREASE**	OFFERED	**265,120**	**$2.60/2.612**					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					

NSN 7540-01-140-5525 **1403-101** **STANDARD FORM 1403 (10-83)**
prescribed by GSA
FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSAT (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSAT (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT?				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER (SPECIFY)			
☐ YES ☐ NO							

22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION?
☐ YES ☐ N0

23. Remarks

1. **Production Capability**: Robert & Sons (R&S) is a small two-year old manufacturer of aircraft grease and other lubricants. They have performed satisfactorily on previous Government contracts requiring the same specifications; however, those contracts were for a significantly smaller quantity than this procurement.

Robert & Sons currently has 80,000 lbs. of aircraft grease in stock (anticipate 95,000 by contract award date). The production is at full capacity: 2 shifts producing 30,000 lbs per month (15,000 is committed to other customers). Currently Robert & Sons can produce 15,000 lbs of grease per month for this procurement. With the anticipated reserve of 95,000 lbs and the 15,000 lbs monthly production their delivery capabilities are:

180 days: 95,000 lbs + 15,000 lbs x 6 months = 185,000 lbs.
270 days: 185,000 lbs. + 15,000 lbs X1 month = 200,000 lbs.
360 days: 200,000 lbs. + 15,000 lbs X 1 month = 215,000 lbs

The delivery requirements are: Items 1A and 1B: 255,000 lbs 180 days; 155,000 lbs more by 270 days; and 55,000 lbs more by 360 days. Robert & Sons does not have the capability to delivery this amount. Their lease on the building prohibits expansion of any kind. Robert & Sons can produce Item 0001A only without problems; Item 0001B only with minimal problems; both items major problems.

2. **Quality Assurance**: Robert & Sons has an acceptable quality control plan. Each shift has a satisfactory number of QC inspectors and each inspector has received training on Government specifications. Robert & Sons submits a random sample per lot of the aircraft grease to a testing facility. The bidder maintains adequate records, except there does not appear to be any method for handling complaints other than "as they come up".

3. **Transportation**: Robert & Sons has written agreements with several trucking companies. There does not appear to by any problems in this area.

4. **Packing and Marking**: Robert &Sons can prepare shipments in accordance with specifications.

5. **Financial survey**: Robert & Sons' financial resources do not appear adequate for an award of this size. Working capital and net worth are only moderate five figure amounts, debt is high (high six figures). We have confirmed that the bidder has an established line of credit in the moderate six figure range. There is no outstanding balance on this line. This approval is marginal due to the limited financial resources of the bidder.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITEL OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
☐ A. COMPLETE AWARD ☐ B. PARTIAL AWARD (QUANTITY) ☐ C. NO AWARD	25C. SIGNATURE	25D. DATE

STANDARD FORM 14032 BACK (10/83)

PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR (GENERAL)	1.Serial No. (For surveying activity use)	FORM APPROVED OBM NO: **3090-0110**

SECTION I - REQUEST (For Completion by Contracting Office)

2. NAME AND ADDRESS OF SURVEYING ACTIVITY **QUALITY ASSURANCE BRANCH** **ARMY DEPOT** **NEW CUMBERLAND, PA**	3. SOLICITATION NO. **DAB-T59-8X-B001**	4.TOTAL OFFERED PRICE: **$1,206,177.12**
	5. TYPE OF CONTRACT **FIRM FIXED PRICE, DEFINITE QUANTITY**	
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) **CREDIT & FINANCE DIVISION** **ARMY DEPT** **NEW CUMBERLAND, PA**	7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR **CASCO** **15 COOK AVENUE** **ALLENTOWN, PA 12931**	
6B. TELEPHONE NO. (Include Wats/FTS if available)		

8. Will Contracting Office Particpate in Survey? ☐ YES ☐ NO		12. WALSH-HEALEY CONTRACTS ACT (Check applicable box (es))	A. IS NOT APPLICABLE B.Is applicable & proscpective contractor represents his classification as: ☐ MANUFACTURER ☐ REGULAR DEALER ☐ OTHER (specify)
9. DATE OF THIS REQUEST	10. DATE REPORT REQUIRED ASAP		
11. Prospective contractor represents that ☐ IS ☐ IS NOT A Small Business Concern			

13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) **NONE**	14. PLANT AND LOCATION (if different from Item 7, above) **SAME AS BLOCK 7**
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM	16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)
15B. SIGNATURE ***JOHN BLOOM***	
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212	16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)

17. FIRM'S CONTACT FOR SURVEY

A. NAME AND TITLE JANE TILLMAN	B. TELEPHONE NO. (Include Area Code) (600)555-2323

SECTION II -- DATA (For completion by Contracting Office)

18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE (a)	(b)	(c)	(d)	(e)
		SOLICITED	**200,000**	ORIGIN/DEST.	**SEE**	**SOL.**			
001A	**AIRCRAFT GREASE**	OFFERED	**200,000**	**$NB /2.583**					
		SOLICITED	**265,120**	ORIGIN/DEST.	**SEE**	**SOL.**			
001B	**AIRCRAFT GREASE**	OFFERED	**265,120**	**$NB/2.601**					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					
		SOLICITED							
		OFFERED		$					

NSN 7540-01-140-5525 **1403-101** **STANDARD FORM 1403 (10-83)**
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FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSAT (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSAT (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT?				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER (SPECIFY)			
☐ YES ☐ NO							

22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION?
☐ YES ☐ N0

23. Remarks

1. **Production Capability**: CASCO has no record of past performance on Government contracts during the past two years. He is a dealer of aircraft parts and has recently added grease and other lubricants. His purchasing procedures are deemed inadequate for the IFB in that he does not have any written commitments from his supplier. Several suppliers have refused to supply him their product line due to customer complaints (items not delivered at all or so late the customer had to make interim arrangements). There is no guarantee CASCO would receive grease in the quantities remotely close to the IFB requirements. Also it appears CASCO has granted a priority status to his largest customer for all parts and lubricants. In case of a grease shortage, the customer would receive any grease allocated for the Government under this arrangement. When this issue was raised with the Vice President, he indicated they would find the supplies somewhere if they the Government would not grant them an extension on their delivery schedule.

A close inspection of the products indicated the grease is marginal at best in meeting the specifications. It appears CASCO is not concerned with product specifications.

2. **Quality Assurance**: CASCO has no quality assurance program. The IFB requires that the aircraft grease be manufactured to specification. The bidder does not even have those specifications nor does it appear he attempts to require them of his suppliers. Also, CASCO does not receive any inspection and test reports form his suppliers. There is no evidence he performs any testing himself. This area is inadequate for the IFB.

3. **Transportation**: CASCO deals with only one small trucking company and it is owned by a family member. This company is too limited to handle the volume required by the IFB.

4. **Packing and Marking**: Although CASCO does not have the specifications, he does have sufficient resources to perform this function..

5. **Financial survey**: CASCO's working capital appears adequate, has only moderate debt and has a line of credit in the high six figures.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITLE OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
☐ A. COMPLETE AWARD ☐ B. PARTIAL AWARD (QUANTITY) ☐ C. NO AWARD	25C. SIGNATURE	25D. DATE

STANDARD FORM 14032 BACK (10/83)

TIME: 8:00 a.m. Day Five—30 minutes

SEALED BIDDING - SIMULATION EXERCISE

PART II

AWARD DETERMINATION - SOLUTION

BIDDER	ACCEPT. PERIOD	RESPONSIVE	MISTAKE	RESPONSIBLE
TexGood	OK	Yes	Clerical, can be corrected	Yes
TruTest	OK	Yes, affidavits can be submitted later, and all or none is OK.	None	Yes
ABC	OK 90 days is not a problem.	Yes, no issues other than acceptance period.	None	No, not qualified under Walsh-Healey.
Robert & Sons	OK	Yes, Statement re: SF119 could be supplied later (If refused, then would be nonresponsive)	None	Partial award on one of the two line items only.
Butler	OK	No - delivery schedule cannot be changed. This is an issue of non-responsiveness.	NO - Butler cannot claim a clerical error because: You cannot make a nonresponsive bid responsive through mistake procedures.	N/A - do not need to check since Butler is nonresponsive.
Casco	OK	Yes, do not need to bid both origin and destination. Also, Casco can be asked to remove stipulation. CASCO is promising to perform.	None	NO, SBA should be contacted however, to determine if CASCO will be granted a COC.

BIDDER	ACCEPT. PERIOD	RESPONSIVE	MISTAKE	RESPONSIBLE
Lifetime	OK	No, although they do not have to extend unit prices, an "all or none" bid does not make them nonresponsive; the contingency on the Navy contract does.	None	N/A - do not need to check since Lifetime is nonresponsive.
ACE Oil	OK	No, delivery schedule was changed. SF33 does not need to be signed if cover letter is submitted with bid.	None	N/A - do not need to check since ACE is nonresponsive.
Century	OK	No, not offering products which meet the specifications.	None	N/A - do not need to check since Century is nonresponsive.
Forever	OK	Yes, failure to bid both origin and destination does not make them nonresponsive.	Yes, Forever is allowed to withdraw their bid because it is obvious that a mistake was made but not what the intended price was from the bid itself.	N/A - Forever withdrew their bid.
B&Z	This bid was delivered late, therefore, it could not be considered.			

SIMULATED EXERCISE - EVALUATED BID PRICES

THERE ARE ONLY FOUR BIDDERS LEFT: TEXGOOD, TRUTEST, ROBERT & SONS AND CASCO. THE EVALUATED BID PRICES ARE:

Bidder	F.O.B.	Item 1A	Item 1B	Total
TexGood	Dest.	$520,000	$662,800	$1,182,800
TexGood	Origin	$590,000	$636,288	$1,226,288
TruTest	Dest.	All or None	All or None	$1,215,126.40
TruTest	Origin	All or None	All or None	$1,300,057.00
Robert & Sons	Dest.	$520,000	$692,493.44	$1,212,493.44
Robert & Sons	Origin	$536,000	$821,872.00	$1,357,872.00
Casco	Dest.	$516,600	$$689,577.12	$1,206,177.12
Casco	Origin	No bid	No bid	No bid

The low bidders by line item:

CASCO	Dest.	Line 0001A@	$ 516,600.00
TexGood	Origin	Line 0001B@	$ 636,288.00
Total			$ 1,152,888.00

The low bidder in the aggregate:

TEXGOOD	Dest.	Line 0001A@	$ 520,000.00
Total	Origin	Line 0001B@	$ 636,288.00
			$ 1,156,288.00

Evaluation of Multiple Awards:

$1,152,888 (2 low bidders) + $1,000 = 1,153,888.00
$1,156,288 (1 overall bidder) + $500 = 1,156,788.00

And the Winner is: CASCO AND TEXGOOD

NOTE: THAT IS ASSUMING CASCO RECEIVES A COC FROM SBA. IF SBA DOES NOT GRANT A COC THEN:

TexGood would receive the award since the next low bidder on Item 0001A is Robert & Sons and this is a tie bid. The evaluation of multiple awards would make TexGood the winner!

INTERACTIVE REVIEW QUESTIONS

If time permits use the following questions to review the material in Lesson 7.

1. What are the general standards of responsibility? TR 7-13

   - Bidder is qualified and eligible to receive an award under applicable laws and regulations.
   - Bidder has a satisfactory record of performance.
   - Bidder has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them.
   - Bidder has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them.
   - Bidder has adequate financial resources to perform the contract, or the ability to obtain them.
   - Bidder is able to comply with the required delivery schedule.
   - Bidder has a satisfactory record of integrity and business ethics.

2. What are some sources to consult to determine responsibility? TR 7-8

   - The prospective contractor (bidder)
   - Records and experience data
   - Publications, suppliers, subcontractors, customers of the prospective contractor, financial institutions, government agencies, and business and trade associations.

3. What is the Walsh-Healey Public Contracts Act and to which general standard does it apply? TR 7-10

   The Act states that all contracts for the furnishing of materials, supplies, articles, and equipment and with a value greater than $10,000 shall:

   - Be with manufacturers or regular dealers in the supplies manufactured or used in performing the contract, and

   - Include or incorporate by reference the representation that the contractor is a manufacturer or a regular dealer of the supplies offered, and the stipulations required by the Act pertaining to such matters as minimum wages, maximum hours, child labor, convict labor, and safe and sanitary working conditions.

This Act applies to the standard of responsibility involving qualified and eligible bidders.

4. State several items the preaward survey request shall include? TR-7-19

The preaward survey request shall:

- Identify factors, in addition to those on the SF 1403, about which additional information is needed.
- Include the complete solicitation package (unless it has previously been furnished).
- Indicate any known prior unsatisfactory performance by the prospective contractor.
- State whether the contracting office will participate in the survey.
- Specify a due date for the report. This date should be consistent with the scope of the survey requested. Normally, allow at least 7 working days to conduct the survey.
- Limit the scope of the survey, when appropriate.

SIMULATION EXERCISE
PART II
EVALUATION OF BIDS

Introduction

Instructions for the Instructor

Issues concerning the bidders

Questions

Answers

Bid Calculations

Solution to simulation exercise

SIMULATION EXERCISE
PART II
INTRODUCTION

Purpose: To utilize the rules and regulations of sealed bidding by allowing students to evaluate each of the 11 bidders.

Materials: This simulation exercise packet contains

- Instructions for the Instructor
- Instructions for the Students
- Issues concerning the bidders
- Questions
- Answers
- Price Calculations
- Solution to simulation exercise

Time Needed: This exercise will take approximately two hours. One hour for the questions and answers; one hour for the calculation. (If there is insufficient time to assign the calculations in class, you may assign as HOMEWORK.)

Roles: This case exercise is to be performed independently.

General Description: This exercise will cover the following sealed bidding tasks:

- Bid Acceptanced Periods
- Late Bids
- Responsiveness
- Mistakes/Minor Informalities
- Responsibility
- Price evaluation factors

SIMULATION EXERCISE
PART II
INSTRUCTIONS FOR THE INSTRUCTOR

At the start of this simulation exercise:

> Hand out to each person the "Issues Concerning the Bidders" and a copy of the questions . This is a synopsis of the issues and problems encountered during bid opening. Each student is required to answers the questions independently.

Give the students approximately 30 minutes to work on this exercise.

Ask the students the questions. Make sure everyone understands the correct answer to the question. When you have finished with all the questions assign the students the task of recommending the low, responsive, responsible bidder. If they had paid attention when the issues had been discussed this will not present too difficult of a task. The students will need to know the transporation rates for the origin bids. You will need to direct their attention to their classroom materials. In lesson 5 are the completed abstract of bids. At the very end of lesson 7 are four preaward surveys. Tell the students the answer is due the next morning.

If the students are having difficulty remind them:

- Identify late bids and disregard from consideration
- Identify any bidder who has offered an unacceptable bid acceptance time.
- Disregard any bid that is nonresponsive
- Disregard any bid that is allowed to withdraw their bid based on a mistake
- Disregard any bidder that is nonresponsible
- Finally, calculate the bids to determine who is low

CONTRACTING OFFICER
CONTRACTING DIVISION
ARMY DEPT
NEW CUMBERLAND, PA 17070

DEAR SIR:

This letter is to notify you that Forever, Inc. has made a mistake in their bid for Solicitation No. DABT59-8X-B-0001. We request the right to change our bid to read: $2.26. The price of $.26 is the amount we used for the transportation costs only. The $2.00 for the cost of grease was not inadvertently left off by our typist. Her sworn statement is attached. Also attached are copies of our working papers showing the correct price. It is obvious to all that a mistake was made, $.26 is the incorrect amount.

Sincerely,

President
Forever, Inc.

SEALED BIDDING - SIMULATION EXERCISE
PART II
AWARD DETERMINATION -SOLUTION

BIDDER	Accept.Period	Responsive	Mistake	Responsible
TexGood	OK	Yes	Clerical, can be corrected	Yes
TruTest	OK	Yes, affidavits can be submitted later, and all or none is OK	None	Yes
ABC	90 days OK	Yes, no issues other than acceptance period	None	No, not qualified under Walsh-Healey
Robert & Sons	OK	Yes, Statement re SF119 could be supplied later (If refused, then would be nonresponsive	None	Partial Award on one of the two line items only
Butler	OK	No - delivery schedule cannot be changed. This is an issue of nonresponsivenes s	NO- Butler cannot claim a clerical error because: You cannot make a nonresponsive bid responsive through mistake procedures	N/A - do not need to check since Butler is nonresponsive
Casco	OK	Yes, do not need to bid both origin & destination. Also, Casco can be asked to remove stipulation - CASCO is promising to perform	None	NO, SBA should be contacted however to determine if CASCO will be granted a COC
Lifetime	OK	No, although they do not have to extend unit prices and all or none bid does not make them nonre-sponsive, the contingency on the Navy contract does	None	N/A - do not need to check since Lifetime is nonresponsive

BIDDER	Accept.Period	Responsive	Mistake	Responsible
ACE OIL	OK	No, delivery schedule was changed. SF 33 does not need to be signed if cover letter is submitted with bid	None	N/A - do not need to check since ACE is nonresponsive
Century	OK	No, not offering products which meet the specifications	None	N/A - do not need to check since Century is nonrespon-sive
Forever	OK	Yes, failure to bid both origin and destination does not make them nonre-sponsive	Yes, Forever is allowed to withdraw their bid because it is obvious that a mistake was made but not what the intended price was from the bid itself	N/A - Forever withdrew their bid
B&Z	This bid was delivered late, therefore, it could not be considered			

SIMULATED EXERCISE - EVALUATED BID PRICES

THERE ARE ONLY FOUR BIDDERS LEFT: TEXGOOD, TRUTEST, ROBERT & SONS; AND CASCO. THE EVALUATED BID PRICES ARE:

Bidder	FOB	Item 1A	Item 1B	Total
TexGood	Dest.	$520,000	$662,800	$1,182,800
TexGood	Origin	$590,000	$636,288	$1,226,288
TruText	Dest.	All or None	All or None	$1,215,126.40
TruText	Origin	All or None	All or None	$1,300,057.00
Robert & sons	Dest	$520,000`	$692,493.44	$1,212,493.44
Robert & Sons	Origin	$536,000	$821,872.00	$1,357,872.00
Casco	Dest.	$516,600	$689,577.12	$1,206.177.12
Casco	Origin	No bid	No bid	No bid

The low bidders by line item

CASCO	Dest.	Line 0001A @	$516,600
TexGood	Origin	Line 0001B @	$636,288
TOTAL			$1,152,888

The low bidder in the aggregate:

TEXGOOD	DEST.	Line 0001A@	$520,000
	Origin	Line 0001B@	$636,288
Total			$1,156,288

Evaluation of Multiple Awards:

$1,152,888 (2 low bidders) + $1,000 = 1,153,888

$1,156,288 (1 overall bidder) + $500 = 1,156,788

And the Winner is: CASCO AND TEXGOOD

NOTE: THAT IS ASSUMING CASCO RECEIVES A COC FROM SBA. IF SBA DOES NOT GRANT A COC THEN:

Texgood would receive the award since the next low bidder on Item 0001A is Robert & Sons and this is a tie bid. The evaluation of multiple awards would make Texgood the winner!!

LESSON 8

AWARD THE CONTRACT

Primary Learning Objective

Primary Objective #1:

Condition: Given an IFB, amendments to the IFB, the bid in line for award, and other bids;

Action: Prepare contract and document the recommendation for award.

Standard: The contract is properly prepared and includes all elements for a legal contract. Documentation of the award provides sufficient detail to allow accurate reconstruction of the procurement for immediate review and future reference.

Primary Objective #2:

Condition: Given the completed contract and award documentation;

Action: Obtain approvals for awarding the contract, execute the contract, and prepare appropriate notices of award.

Standard: The contract is properly approved and signed. All required notifications are made.

Course Learning Objectives (CLO)

At the completion of this lesson, the student will be able to:

8-1 Make the final award decision in sealed bidding:

- Explain the procedure for briefing superiors on selection recommendation.
- Properly prepare the documentation of award (especially if the award is to a contractor other than the low bidder).

8-2 Formulate the contract and prepare the appropriate notices of award:

- Determine the sufficiency of funding.
- Prepare the contract.
- List all approvals needed before awarding the contract.
- Determine the required steps in making a preaward notification.
- List the principle steps involved in executing a contract.
- Make all postaward notifications.

Estimated Time	30 minutes—Lecture/Discussion
Method of Instruction	Lecture/Discussion with viewgraphs as visuals Interactive Review Questions
Student Materials	Text/Reference — Chapter Eight Classroom Materials — Lesson Eight
Instructor Materials	Text/Reference—Chapter Eight Instructor Guide—Lesson Eight Overhead Projector and Overhead Markers Viewgraph slides for Lesson Eight
Instructor References	FAR 1.602-1(b), 1.602-2(a), 4.1, 4.2, 4.8, 4.801, 4.802, 4.803, 4.805(h), 4.6, 5.301(b), 14.103-2, 14.204, 14.407-1, 14.407-1(d), 14.407-7, 14.408-1, 19.704(a), 19.708(a)(2), 24.2, 52.219-8, 52.219-9

TOPIC:	INTRODUCTION TO LESSON EIGHT - AWARD THE CONTRACT
REF:	TR 8-1 through 8-5
OBJECTIVE:	To review with the students the important judgment decisions required in the sealed bidding method of procurement.
TIME:	8:30 a.m.— 5 minutes
METHOD:	Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-3	a. Awarding the contract to the most qualified bidder is essentially a process of elimination; a process of requiring the CO to make sound judgmental decisions. Show VG 8-4 Now.	
VG 8-4	**JUDGMENT DECISIONS IN SEALED BIDDING** • **Responsiveness:** Has the bidder clearly promised to do what the IFB asks? • **Mistakes:** Clerical or otherwise. Why is the bid price unusually low? • **Competition:** Multiple bids do not necessarily mean that true competition has been achieved. • **Reasonable Price:** Is the low, responsive, responsible bid in fact fair and reasonable? • **Responsibility:** Has the bidder truly met the general standards of responsibility? Also, special standards. VG 8-4	
	b. The CO's good judgment should result in awarding a contract that is most advantageous to the Government considering only price and the price-related factors as set forth in the IFB.	

TOPIC: STEPS IN AWARDING A CONTRACT

REF: TR 8-6 through 8-25

OBJECTIVE: To present the students with an overview of the essential steps required in awarding a Government contract.

TIME: 8:35 a.m.— 25 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-6	a. Before signing a contract, the CO must ensure that funds are available for obligation. This includes additional funds to cover unforeseen costs or higher bid prices than originally forecast.	
TR 8-7	b. The CO will review the contract specialist's work for thoroughness in covering all aspects of the procurement. Attention to detail in terms of law, regulations and proper procedures is very much on the mind of the CO as he/she prepares to sign the contract.	
TR 8-8	c. CO responsibilities in selection for award are shown in VG 8-6.	
VG 8-6	Show VG 8-6.	

CO RESPONSIBILITIES IN SELECTION FOR AWARD

- All requirements of law, executive orders, regulations have been met.
- Multiple award and equal bid procedures have been handled correctly.
- Sufficient funds are available for obligation.

VG 8-6

TOPIC: STEPS IN AWARDING A CONTRACT (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-9	d. Subcontracting plans must also be considered when the acquisition is expected to exceed $500,000. These plans include contracting with small businesses and small disadvantaged (8a) businesses.	
TR 8-10	e. When the award decision is final, the next step is to prepare the contract. • In the event of multiple awards off the same IFB, separate contracts are prepared for each award.	
TR 8-11	• The CO formally awards the contract by signing the award section of the SF 33 which, by way of review, is the first page of the IFB. • If a bid has been changed because of a "mistake in bid", a bilateral form, the SF 26, is used because a new bidder signature is required. • The CO may sign an amended bid using either the SF 33 or SF 26. • Instructions for completing the award forms are contained at exhibits 8-6 and 8-7 on pages 8-12 through 8-15 of the TR.	

TOPIC: STEPS IN AWARDING A CONTRACT (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-16	f. The reasons for documenting the award as part of the contract file are displayed in VG 8-7.	
VG 8-7	Show VG 8-7. **REASONS FOR FILE DOCUMENTATION** • Supports the award decision. • Confirms required clearances or approvals obtained. • Defends against protests. • Confirms compliance with regulations. VG 8-7	
TR 8-16	g. Contract File Documentation. • The CO ensures that the contract file contains documentation that demonstrates full compliance with sealed bidding procedures and regulations. • Do not forget to include statements that explain the breaking of a tie bid or the rejection of lower offers.	
TR 8-17	• Accurately document the file with any material that directly impacts the procurement. • The contract file must be able to stand alone in support of reviews, investigations, matters of litigation and congressional inquiries.	

TOPIC: STEPS IN AWARDING A CONTRACT (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-18	• FAR 4.803 lists examples of records, if applicable, that are ordinarily maintained in the contract file. Pages 8-18 through 8-21 of the TR list 41 such examples.	
TR 8-21	h. In contracting by sealed bidding, award approval is not a complex issue because of the objectiveness of the process, i.e., award to the low, responsive, responsible bidder whose price is both fair and reasonable. There is little room for disagreement as to who gets the award when the process is conducted correctly. By contrast, negotiated awards are much more subjective in nature.	
	i. Contract awards almost always require legal review.	
	• This is to ensure legal "sufficiency" that all requirements have been met as regards law and regulation, and that the contract is enforceable.	
	• Is the signature of the bidder an authorized signer for the company or corporation?	
TR 8-22	j. The CO must deliver a properly executed award document to the successful bidder. This is usually accomplished by mailing. The next step is to fully distribute the contract as outlined in VG 8-8. Show VG 8-8.	
VG 8-8	**CONTRACT DISTRIBUTION** • The contractor (awardee) • Finance and accounting • Contract administration (if appropriate) • The official contract file • Other offices as prescribed VG 8-8	

TOPIC: STEPS IN AWARDING A CONTRACT (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-22	k. Contract copies must be distributed to all parties within ten days of the date of signing.	
	l. First, there is the official announcement of contract award, followed by post-award notifications as depicted in VG 8-9.	
TR 8-23 VG 8-9	**POSTAWARD NOTIFICATIONS** • Notify unsuccessful bidders. • When award is made to other than the low bidder, state the reason for rejection in the notice. VG 8-9	
	• Notification to unsuccessful bidders may be oral or in writing. Should unsuccessful bidders request additional information, the CO shall provide the following:	
VG 8-10	Show VG 8-10.	
	INFORMATION PROVIDED TO BIDDERS UPON REQUEST • Name and address of the successful bidder. • The contract price. • The location where a copy of the abstract of bids is available. VG 8-10	

TOPIC: STEPS IN AWARDING A CONTRACT (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 8-23	• In some cases of multiple awards, or just for informational purposes, the location of the abstract of bids may be given.	
TR 8-24	m. Synopses of Contract Awards. • The CO shall synopsize in the CBD any awards greater than $25,000 that are likely to result in subcontracts. • Exceptions to synopsizing include utilities from a single source, perishables, and disclosures of an agency's needs that might compromise the national security. n. Federal Procurement Data System (FPDS) Input. • Following award, the CO completes Standard Form 279, Federal Procurement Data System Individual Contract Action Report, which is submitted to the Federal Procurement Data Center. o. A Final Word on Awarding Contracts. • For large awards over $5 million, the CO will provide information for the agency to make a formal announcement by 4:00 p.m., Washington D.C. time, on the day of award.	

EXAMPLE OF NOTICE OF AWARD

TO: ABC Corporation
1234 America Lane
New Town, PA 16021

21 July 1990

REF: IFB No. R-17-90-37 dated May 5, 1990

Your bid dated June 15, 1990 submitted in response to the referenced IFB is accepted as to the following items only:

Item 1	Motor	50 each	$15,350
Item 2	Fan Assembly	50 each	$ 8,750
Item 5	Repair Kit	15 each	$ 2,200
		Total	$26,300

An executed copy of Contract No. 90-C-17-201 will be forwarded to you in approximately five days from the date hereof.

J.D. Snyder
Contracting Officer

Note to Instructor: The FAR does not prescribe a "Notice of Award" form. Telegrams, letters, or other written notice may be used. Because the notice constitutes acceptance of the offer to sell, the notice of award must clearly identify the offer that is being accepted, including any written changes made to the offer.

INTERACTIVE REVIEW QUESTIONS

If time permits, use the following questions to review the material in Lesson 8.

1. List the five judgment decisions or questions the contract specialist must ask him/herself before issuing a contract in sealed bidding. TR 8-3

   1. Are the bids responsive?
   2. Are there any mistakes in bids?
   3. Has true competition been attained?
   4. Is the low, responsive bid fair and reasonable?
   5. Is the contractor responsible?

2. What is the typical sequence of events pertaining to funding? TR 8-6

   Step 1: The purchase request obtained from the technical or requirements organization includes an “Independent Government Cost Estimate (IGCE).”
   Step 2: The purchase request is then routed through the finance and accounting office, which will commit the funds from the appropriation fund for the proposed contract.
   Step 3: The CO, upon receipt of the purchase request, confirms that the funds are available.
   Step 4: After the award decision is made, the “commitment” of funds must now become an “obligation.” The CO will ensure that funds are available for obligation before signing the contract. In addition, the finance office may make an upward or downward adjustment if the amount committed is not the exact amount awarded.

3. If the CO rejects the contract specialist’s recommendation to award, what steps should the contract specialist take next.? TR 8-10

   Depends on the nature of the rejection; however, a decision may be made to award the contract to the next low bidder, or to cancel the IFB and negotiate.

4. If the CO accepts the contract specialist’s recommendation to award, what steps would the contract specialist take next? TR 8-10

   Assemble all the required documentation, complete the contract file, prepare the award document so it is ready for the CO’s signature, and give the "agency public liaison office" a preaward notice of the bidder or bidders selected for award.

5. List two reasons for documenting award. TR 8-16

Supports the award decision.
Confirms that any required clearances or approvals have been obtained.
Defends against protests.
Confirms compliance with regulations if audited by the IG, GAO, Procurement Management Review, etc.

6. Who performs a legal review before issuing a contract and why? TR 8-21

An attorney from the Office of Counsel, Office of the General Counsel, the Judge Advocate General's Office, or another such organization within the contracting activity or agency.

A legal review is completed to ensure that the proposed contract is legally "sufficient"—that all requirements of laws and regulations have been met and that the contract will be enforceable.

7. What steps will the CO take in making postaward notifications? TR 8-23

Notify unsuccessful bidders and extend appreciation for their interest in submitting bids.

State the reasons for rejection, and when the award is made to other than the low bidder, to each of the unsuccessful low bidders.

LESSON 9

PROTESTS

Primary Learning Objective

Condition: Given protests before award, protests after award, the protesters' offers, all other offers (if after award), the solicitation, access to the Comptroller General's decisions, and support from the agency's legal staff;

Action:

- Develop and forward the Government's position on the protest.
- Prepare a memorandum for the record to document resolution of the protest.

Standard: Procures requirement in the most timely and efficient manner, given the protest. Meets all FAR, GAO, and agency procedural requirements. Includes all relevant facts and is factually correct. Memorandum for the record meets "test of sufficiency" (i.e., applying the reasonable man doctrine, a reader could reconstruct the protest and its resolution).

Course Learning Objectives (CLO)

At the completion of this lesson, the student will be knowledgeable on:

9-1 Protests filed with the agency.

- Describe steps the CO takes in dealing with a verbal complaint about a solicitation.
- State and describe the steps the CO takes in dealing with a written complaint about a solicitation.
- Given a decision to uphold the protest, identify a course of action to resolve it.
- State what to do in responding to a protest.

9-2 Protests filed with the Small Business Administration.

- Describe the steps to take in protesting a small business representation.

9-3 Protests concerning the Walsh-Healey Public Contracts Act.

- Describe the steps to take in protesting the eligibility of an offeror.

Course Learning Objectives (CLO) (Cont.)

9-4 Preaward protests filed directly with the GAO.

- State the steps involved in preparing and forwarding findings of fact and recommendations regarding whether to proceed or to delay award.
- State the steps to take when the GAO says "advisable not to award."

9-5 Postaward protests filed directly with the GAO.

- State the steps involved in preparing and forwarding findings of fact and recommendations regarding proceed or delay.
- Describe how the CO will determine whether to authorize contract performance notwithstanding the protest.
- Describe how the CO will determine whether to appeal.
- Describe the procedure for preparing an appeal.
- State and describe the steps for implementing the GAO's recommendation.

9-6 Protests that go to court.

- Describe how to prepare affidavit and memorandum of facts upon notification of court filing.
- Describe how to respond to discovery motions for written records.
- Describe how to implement the court's decision.

9-7 For all protests.

- List the steps in preparing a memorandum for the record concerning the protest.

Estimated Time 20 minutes—Lecture/Discussion

Method of Instruction Lecture/Discussion
Interactive Review Questions

Student Materials Text/Reference—Chapter Nine
Classroom Materials—Lesson Nine

Instructor Materials Text/Reference—Chapter Nine
Instructor Guide—Lesson Nine

Instructor References FAR Subpart 33.1—Protests, FAR 19.3, 19.302, 19.302(i), 22.608-2(b), 22.608-3, 33.103, 33.104, 33.104(a)(2), 33.104(a)(3), 33.104(a)(6), 33.104(a)(6)(i), 33.104(a)(7)(b), 33.104(e), 33.105, 52.233-3, CFR Part 21, 48 CFR Part 61, 13 CFR 121, 41 CFR 50

TOPIC: GENERAL OVERVIEW OF PROTESTS

REF: TR 9-1 through 9-34

OBJECTIVE: To provide the students with a brief overview of protests, covering only the key points they need to be aware of as contract specialists.

TIME: 9:00 a.m.— 20 minutes

METHOD: Lecture/Discussion

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 9-5	a. Protests may be filed before award, or after award, and filed with: • The agency conducting the procurement. • The Small Business Administration (SBA). • The General Accounting Office (GAO). • The Department of Labor (DOL), or • The General Services Board of Contract Appeals (GSBCA) for automatic data processing (ADP) acquisitions under 40 USC 759.	
TR 9-8	b. Complaints may be registered verbally or in writing. Many potential protests can be stopped with the first phone call, using just a little tact and a few facts to satisfy the offeror who is upset or confused. • The offeror must continue the protest in writing when attempts at a verbal solution fail. • The written protest must be completed by a specific date. • All telephone calls with the protesting "Bidder" must be documented.	
TR 9-10	c. Prepare the "Findings of Fact" surrounding the protest. • Prepare a statement that includes all gathered information, usually in chronological order. • Examine the protest carefully for accuracy in its presentation of the facts.	

TOPIC: GENERAL OVERVIEW OF PROTESTS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 9-11	c. Prepare the "Findings of Fact" surrounding the protest. (Cont.) • Make sure that all factfinding is thorough, accurate, and honest, and the results documented. Findings will be evaluated and the appropriate decision made.	
TR 9-12	d. Awards may be made, even though a protest is pending, if the CO or agency head determines that: • The supplies or services are urgently needed. • Without prompt award, excessive delays in delivery or performance will occur. • A prompt award is clearly advantageous to the Government. e. When the award is withheld pending resolution of the protest, complete the following steps: • Inform the bidders whose bids might be eligible if the protest is upheld. Request that they extend their bid acceptance periods for an appropriate period of time. • Investigate the basis for protest and proceed with award if time extensions have not been obtained from the bidders.	
TR 9-13	f. Protests are filed with the agency after award. • Act in accordance with agency procedures. • Actions taken should be in the best interests of the Government.	

TOPIC: GENERAL OVERVIEW OF PROTESTS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 9-13	f. Protests are filed with the agency after award. (Cont.) • A suspension of contract performance may be necessary until the protest can be resolved. • Involve legal counsel. Previous decisions of the Comptroller General may be helpful in resolving the dispute. A decision "to continue" contract performance must be based on sound advice, good judgment and a thoroughly conducted investigation into the matter.	
TR 9-14	g. The protest may be either "sustained" or "denied." This decision is a function of: • The facts as determined through investigation. • The applicability of the FAR and the agency's FAR supplement. • Case law, i.e., previous Comptroller General decisions. h. The CO generally makes the decision to sustain or deny the protest, and: • Notifies the protesting party of his/her decision. (The protesting party has ten days from notification to file a subsequent protest with the GAO.)	
TR 9-18	i. Protesting a small business representation, i.e., "size status": • Protests must be received by the CO on the 5th day after bid opening and forwarded to the SBA regional office. • The CO withholds award until expiration of ten business days after SBA receives the protest.	

TOPIC: GENERAL OVERVIEW OF PROTESTS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 9-20	i. Protesting a small business representation, i.e., "size status": (Cont.) • SBA makes the decision as to size status and notifies the CO and the bidder. • The CO may award immediately if awarding is in the public's best interest. • The CO may also award if SBA renders no decision within ten days.	
TR 9-22	j. Protests concerning the Walsh Healy Public Contracts Act (Manufacturer or Regular Dealer). • Bidder's representation under the Act is questioned. • CO then makes a determination of eligibility. • In the event bidder is a small business, refer to SBA. • CO may also refer to DOL.	
TR 9-26	k. Protests to GAO. • Comptroller General decisions regarding protests are final and essentially binding on the agency involved. (Agency has 60 days within which to object). • "Sustained" decisions are in favor of the party that filed the protest. (May also cover "costs"). • "Denied" decisions go against the party that filed the protest. CO may award or continue the contract.	

TOPIC: GENERAL OVERVIEW OF PROTESTS (Cont.)

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
TR 9-26	k. Protests to GAO. (Cont.) • Many protests are rejected because they are not filed on time. A protester may file with the CO and GAO at the same time or within ten days of submitting the protest to the CO.	
TR 9-30	• It is important for all parties concerned to be aware of a pending protest that has been forwarded to GAO. Contract awards will generally not be made under such circumstances. • Normally, GAO will make a decision within 90 days. The time period may be only 45 days if the express option is used. • An agency notified of a filed protest by GAO has 25 days to report its findings concerning the protest, or 10 days in the case of the expedited option.	
TR 9-33	l. Protests to the General Services Board of Contract Appeals (GSBCA) and to the courts. • The GSBCA hears cases involving ADP acquisitions covered under 40 U.S.C. 795. GSBCA will not hear protests already filed with GAO. • A protesting party may also pursue its rights through the U.S. District Court, or the U.S. Claims Court, to enjoin the award of a contract or to set aside a contract already awarded. Such action will require the CO to support the Government's case with reports, testimony and detailed documentation.	

INTERACTIVE REVIEW QUESTIONS

If time permits, use the following questions to review the material in Lesson 9.

1. Define protest. TR 9-5

   A protest is defined as a written objection by an interested party to a solicitation for offers for a proposed contract for the acquisition of supplies or services. Or, a protest could be a written objection by an interested party to a proposed award or the award of such a contract.

2. Many protests start with a phone call. List two do's and don'ts when answering an inquiry concerning a protest over the phone. TR 9-9

   DO: Ask questions to define the issue, rephrase the issue to the protestor, and ask the protestor if you have correctly stated it.

   DO: Disclose any facts about the procurement that address the issue, if disclosure of those facts is permitted at that time to competing contractors.

   DON'T: Debate the bidder. Limit your end of the phone conversations to (a) questions that define the issue and (b) statements of fact.

   DON'T: Criticize the bidder or bidder's firm.

   Other do's and don'ts are located in Section 9.1.1 of T/R.

3. List three items of information that may be included in a findings of fact. TR 9-10

   All dates involved
   CBD Dates
   Number of IFBs released
   Number of bids received
   Evaluation factors
   Handling of late bids and modifications of bids
   Amendments to the IFB
   Resolution of mistakes in bids
   All-or-none or other factors affecting award

4. When can a contract be awarded with a protest pending? TR 9-12

The supplies or services to be contracted for are urgently required.

Delivery or performance will be unduly delayed by failure to make award promptly.

A prompt award will otherwise be advantageous to the Government.

5. When there is a protest of a small business representation pending, when can the CO award the contract immediately? TR 9-20

The CO can award the contract immediately if awarding is in the public's interest.

The CO may award the contract if there is no SBA decision within 10 days.

6. The CO should rely on the bidder's representation that it is a manufacturer or regular dealer except in certain cases. List two cases. TR 9-22

CO has knowledge that raises the question of the validity of the representation.

A protest has been lodged by another offeror.

The apparently successful bidder has not previously been awarded a contract subject to the Walsh-Healey Act by the particular acquisition office.

A preaward survey of the bidder's operations is otherwise being made to determine the technical and production capability, plant facilities and equipment, and subcontracting and labor resources of the bidder.

7. What is a Comptroller General decision? TR 9-26

A decision on a protest filed by an interested party to the General Accounting Office (GAO) made by the head of the GAO (the Comptroller General of the United States).

8. What is meant by "denied" and "sustained?" TR 9-26

"Denied" is a Comptroller General decision that goes against the protester.

"Sustained" is a Comptroller General decision that is in favor of the protester.

9. Can the CO award a contract with a protest filed directly with GAO pending? Why or why not? TR 9-28

No. When an agency receives notice that a protest was filed directly with GAO, the CO shall not award a contract unless authorized to do so. Such authorization to award may be made upon a written finding by the head of the contracting activity, on a non-delegable basis.

10. The agency is required to submit a complete report on the protest to GAO in ____ calendar days after receipt from GAO of the telephonic notice of such protest, or within ____ calendar days after receipt from the GAO of a determination to use the express option. TR 9-30

    First blank: 25
    Second blank: 10

11. What types of protests are submitted to the General Services Board of Contract Appeals (GSBCA)? Can you file a protest with GAO and GSBCA? TR 9-33

    Protests involving certain types of ADP acquisitions.

    A protest filed with GAO cannot later be filed with GSBCA.

LESSON 10

WRAP-UP

THE REPLACEMENT LAWN MOWERS

This exercise was developed to help the students review the material and prepare for the test. Give the students at least 40 minutes to prepare and 40 minutes to present their findings. The students will find this case study to be a good confidence builder and an excellent wrap-up to the course, "Contracting by Sealed Bidding."

INSTRUCTIONS TO THE INSTRUCTOR

1. GROUP LEADER

One individual is nominated as group leader by each group. (This is the last case study - make sure the group leader is someone who has not served in that capacity so far).

Group leader is responsible for:

a. The group developing a group solution to the situation using the questions listed at the end of the case study as a guide to developing the solution.

b. The group orally presenting its solution to the rest of the class. This may be done by the group leader or another individual selected by the group leader, or in subdivisions by more than one individual.

c. An oral critique of another group presentation, or

d. A summary of the case study after one presentation and one or more critiques.

2. DEVELOPMENT OF THE GROUP SOLUTION

Each group will be allowed 40 minutes to develop its presentation. The group should:

1. Read the case study individually.

2. Discuss together what they have read to arrive at a mutual understanding of the circumstances.

3. Write out answers to the questions contained at the end of the case study.

4. Discuss their proposed solutions with each other so that all members of the group understand.

5. Permit a minority opinion on any or all questions, which should be presented in the group solution.

6. The instructor monitors the groups' efforts.

3. GROUP PRESENTATIONS

1. The instructor will select one of the groups to present its solution.

a. The group leader conducts or directs the oral presentation. Minority opinion, if applicable, is also presented.

b. The leader does not permit other groups to challenge during the presentation. Other groups may raise questions, but only to ensure that they understand what is presented at this time.

c. The instructor ensures that the group has had the opportunity to complete its full presentation.

2. The instructor selects a second group to critique the first group's presentation. If necessary, the group will be provided several minutes for a caucus before presenting the critique.

   The group selected, under the group leader's direction, presents an oral critique. The critique will follow the outline below:

   (1) State what was good about the presentation.
   (2) What was omitted?
   (3) What errors were made?
   (4) What did your group do differently?
   (5) Any other appropriate comment, to include minority views.

3. The instructor permits rebuttals by both the presenting and critiquing groups to each other. The objective is to arrive at a reasonable acceptance by each group to the other group's presentation.

4. The instructor will solicit comments from the two remaining groups on both the presentation and the critique, as well as any unresolved issues or disagreements.

5. The instructor only moderates. He/she does not agree or disagree at this time.

6. The instructor selects one of the two groups which have presented neither a solution nor a critique to summarize the case study. The purpose is to fix the teaching points in the minds of the students.

The group should follow the outline below during the summary:

(1) Describe what was done.
(2) Describe why it was done.
(3) Describe what should have been learned.
(4) Explain how the "what was learned" will be applied on the job.

INSTRUCTOR SUMMARY

The instructor will summarize the teaching points from the case study. For any unresolved issues, the instructor will present an expert opinion. The instructor will address any questions raised which are related to the case.

THE CASE OF THE REPLACEMENT MOWERS

VAMC was faced with the yearly inundation of end-of-the-year purchase requests. Among the PRs was one for 6,500 lawn mowers for $450,000 to replace the worn out grass cutters currently used by VA hospitals nationwide. The purchase request was dated August 1, and requested delivery to a centralized location by September 5. Harry Clark, the supervisory Contracting Officer, assigned the Purchase Request to Norma Jackson, Contract Specialist.

Norma set to work immediately. She assembled and issued an Invitation for Bid (IFB) on August 3 for the mowers. The description of the mowers in Section C of the IFB called for: "Mowers, Type 2, self-propelled , in accordance with Fed. Spec. 0231744693, dated June 7, 1971.

Section C of the solicitation advised further that:

"Any self-propelled mower with 15-inch, or greater cut, sold in substantial quantities to the general public will be accepted by the Government. Bidders should specify blade cut, weight, gasoline capacity, color and safety features, as well as brand name and model number of the mowers, to be furnished under any contract resulting from this solicitation."

August 20 was the date specified in the IFB for bid opening. Norma was in the appropriate room ten minutes before 2:00 p.m., the bid opening time. She had four bids. Representatives were present from the four firms that submitted the bids.

The day before bid opening, the Station Engineer had expressed a desire to delete the self-propelled requirement. Norma decided to orally amend the solicitation because all the bidders were present in the bid opening room. She returned the appropriate bid to each representative, indicating that the requirement for the mowers to be self-propelled had been deleted, and advised that bid opening would be extended to 2:10 p.m. All four representatives made quick changes to their bids and returned them to Norma.

As Norma started to open the first bid, the representative from ABC Hardware entered the room with a hand-carried bid. ABC's bid was given to Norma at exactly 2:09 p.m. Norma rejected the bid as late. She told ABC that the bid should have arrived no later than 2:00 p.m., the time specified in the IFB for the mowers. Meanwhile, two other bids had arrived by mail. The time was 2:15 p.m., and Norma was infuriated because mail was normally distributed at 11:00 a.m. She quickly glanced at both bids. White Consolidated's bid was postmarked August 15, and the other bid, submitted by registered mail, by Quick's Lawn Supplies, was postmarked August 17. Both bids showed installation time/date stamps of August 20, 8:00 a.m. Norma decided that both bids were untimely, and rejected them as late.

Norma finally managed to open the first "timely" bid (Bidder #1). The bid contained all necessary certifications and prices, and was signed. It also contained a commercial price list which stated on the back cover that the prices were subject to change and that the price would be the same as that in effect at the time of delivery.

Norma opened the remaining bids and listed them on the abstract of bids form as follows:

BIDDER	UNIT PRICE	TOTAL PRICE	SIZE STD	REMARKS
1	$200	$1,300,000	Small	Commercial Price List attached.
2	$100	$ 650,000	Small	Stated they were 1st time bidder. No affirmative action or EEO programs.
3	$175	$1,137,500	Small	Wrote: "Govt. Ordering Representative" in Section K under Type of Business.
4	$180	$1,117,00	Large	Prices were changed in pen and ink.

Norma decided to award the contract to bidder #3 because she had never heard of bidder #2 and felt it would not be able to deliver the mowers by the delivery date. The manufacturer of the products offered by bidder #3 had advertised on television, and she remembered that in the firm's commercial it promised overnight delivery for any of its products no matter what the quantity. Bidder #4 approached Norma and said that a mistake had been made in its bid. The bid should have read $520,000 (the unit price appeared as 180 and was supposed to read $80. Bidder #4 offered worksheets that established the error. Norma grabbed the worksheets, examined them and awarded the contract to Bidder #4 at $520,000.

At the time Norma was examining the worksheets, and just prior to actual award, Bidder #2 protested Norma's actions and indicated that the Comptroller General would hear of this blatant abuse of the Sealed Bidding process.

INSTRUCTOR SOLUTIONS

METHOD OF PROCUREMENT

Sealed Bidding: Argument for: The regulations require sealed bidding when:

1. Time Permits.
2. The method of procurement is based on price and price-related factors only.
3. Discussions are not necessary.
4. Competition is expected.

The only issue in question is: Does time permit the use of sealed bidding? The PR dated August 1 identifies the delivery date as September 1. These mowers are to replace the ones currently used, but SUMMER is basically over. Why is there a September 1 delivery date? There is good reason for going with a reasonable delivery date. Then, all four conditions exist to permit contracting by sealed bidding.

SYNOPSIS

A SYNOPSIS WAS NOT DONE. There was no justification for failing to issue a synopsis in the CBD other than requirements being under $25,000. If this had been the reason a synopsis was not done, then small purchase procedures would have worked fine, not sealed bidding! Also, the FAR is quite clear on exceptions to synopsizing. There was no indication in the case study that any of the following exceptions applied:

1. Disclosure of classified information.
2. Perishable subsistence supplies.
3. Brand-name commercial item for authorized resale.
4. Advance notice is not appropriate.*
5. Action made under terms of existing contract previously synopsized.
6. Action taken by defense agency and item/service will be made/performed outside the U.S.

*An agency head can make the decision that advance notice is not appropriate or reasonable after consulting with OFPP and the SBA.

AMENDING THE SOLICITATION

An oral amendment was made ten minutes before bid opening only to those present in the bid room.

Norma was told the day before bid opening that a major change was needed. She was required to use a SF30 to issue an amendment to the solicitation. This change could have impacted on the particular mowers offered and the prices bid. Without a written amendment issued prior to bid opening, the solicitation has not "changed." An award must be made only on what is actually written and advertised in the solicitation.

Norma could have extended the bid opening ten minutes if a written amendment had been sent to all those receiving a solicitation, and if sufficient time had been given for prospective bidders to make changes and respond. Norma could have orally postponed the bid opening, even after the time and date set (FAR 14.402-3) if:

1. The bids had been delayed by the mail for causes beyond anyone's control, i.e., floods, fire, accident, earthquake, weather conditions etc.

2. Emergency or unanticipated events that interrupt normal Government processes so that bid opening is impractical, i.e., need to change the location at the last minute, etc.

No exceptional conditions existed that allowed Norma to orally amend the solicitation.

PROCESSING BIDS

RECEIVE AND CONTROL BIDS

Norma did not have the authority to return original bids to company representatives. Any changes or withdrawals are done as separate submissions. (How did Norma know the representatives had the authority to make changes to the bids?)

Open, read and abstract bids:

Norma did not announce to all those present in the bid opening room that the designated time for bid opening had arrived.

(We cannot determine whether Norma read the prices aloud.)

LATE BIDS

Norma should have accepted all three bids for the following reasons:

1. Time was extended until 2:10; ABC submitted its bid at 2:09.
2. The other two bids were received in a timely manner at the Government installation. They were mishandled by the Government after receipt. They did not have to be sent by registered mail.

FIRM BID RULE/RESPONSIVENESS

Bidder #1 was nonresponsive. He would not hold his prices firm for any fixed period of time.

Bidder #2 was responsive even though he did not have an Affirmative Action Program. Why?

1. The total dollar amount bid was less than $50,000.
2. First time bidders are not required to have plans in place at the time of award.

REASONABLENESS OF PRICE:

Norma did not perform price analysis to determine if the low price was fair and reasonable. In fact, she totally ignored the "comparison of bid prices received" by not considering Bidder #2's 650,000 offer.

MISTAKE IN BID

Norma did not properly handle the mistake in bid. Even if the worksheets proved that Bidder #4 had made a mistake, and had indicated what the price should have been, correction, which would have resulted in displacing one or more lower bids, cannot be made unless the existence of the mistake and the bid actually intended are ascertainable to a large extent from the invitation and the bid itself!!!

Norma did not have the authority to allow correction of the bid even if conditions existed to permit correction. Only the Agency Head may authorize correction - not the Contract Specialist/Contracting Officer.

RESPONSIBILITY

Norma did not check to see if any of the bidders were included on the List of Parties excluded from Federal Procurement or Nonprocurement Programs.

Bidder #2 should not have been rejected by Norma just because she had never heard of the firm. Although the FAR 9.103(b) states that "in the absence of information clearly indicating that the prospective contractor is responsible, the CO shall make a determination of responsibility", Norma was still required to seek data and apply the general and/or special standards of responsibility before making a decision. Norma's action was arbitrary and capricious.

Bidder #2 was a small business. FAR 19.602-1 establishes procedures the CO must follow when a small business is determined to be nonresponsible. Norma should have followed these procedures before proposing an award to any other bidder.

Bidder #3 was not eligible to receive an award because only manufacturers and regular dealers who have sold the same or similar products to the general public in substantial quantities may be considered. . A Government sales representative does not qualify either as a manufacturer or a regular dealer. Bidder #3, therefore, was nonresponsible.

AWARD

Norma, a Contract Specialist, did not have the authority to enter into contractual arrangements. Even if she was warranted as a Contracting Officer, another official generally reviews the proposed award.

Norma did not confirm that sufficient funds existed to make the award. There was a funding shortage and additional funds were required to award the contract.

Norma did not properly apply the regulations in selecting the bidder for award.
Bidder #4 should not have been given the award based on his workpapers.
Bidder #2 should not have been rejected.
Bidder #3 was not eligible for award.
Bidder #1 was nonresponsive.

Even if Bidder #4 could have changed his bid, Norma would still have to ask for an "approved" small business subcontracting plan, prior to making the award.

PROTESTS

Wouldn't you protest this award!!!!! ABSOLUTELY.

Who would protest: Bidder No. 2 - Arbitrary and capricious nonresponsibility determination. Norma did not follow regulations, i.e. small business COC, etc.

AND

All three late bidders.

CANCELLING THE SOLICITATION AFTER BID OPENING

Cancellation is not the only recourse.

The fact that three bids were erroneously rejected as "late," combined with the oral amendment to the other four bidders only, may result in "ambiguous specifications." The three "late" bids would have to be considered since all three were received prior to the 2:10 bid opening. Their bid prices, however, would cover the mowers as specified before the "oral amendment" was issued, while the bid prices for the four "timely" bids have been changed to reflect the changed specifications.

Once the three "late" bids have been opened, the bids can be evaluated to determine if the amendment affected their bids. If not, award can be made based on:

1. A determination that the three "late bids" may be considered.
2. Proper procedures are followed by Bidder #4 correcting its "mistake in bid."
3. Proper procedures are followed for evaluation of all bids, including proper responsibility determinations.

(Note: Remember, Norma was given the late bids - ABC presented its bid at 2:09, while the other two were delivered with the mail. Actual late bids are to be held unopened until award and then filed with the unsuccessful bidders' files. They are not returned to the bidder.)

FAR 14.405(d). Minor informalities or irregularities in bids may waive the deficiency (amendment not acknowledged) if:

1. The bid received clearly indicates the bidder received the amendment to the extent that the amendment added another item to the invitation and the bidder submitted a bid on the item or:
2. The amendment involves only a matter of form or has either no effect or merely a negligible effect on price, quantity, quality or delivery of the item bid upon.

Since the four timely bids were opened after oral arguments and a separate submission modifying the bid, there is no way to determine what these four bidders would have bid if the amendment had not been issued. If any of the three bidders had proposed mowers in accordance with the specifications as now deleted, there is no way to place all seven bidders on an equal footing. Therefore, cancellation of the invitation based on "ambiguous specifications" is in order, requiring the solicitation process to start over.

Norma should be compelled to attend this course and not be allowed to handle further procurements until such time that she passes the course exam.