



**DISTRICT OF COLUMBIA
OFFICE OF CONTRACTING AND PROCUREMENT**

PRACTICAL PROCUREMENT USER'S GUIDE
(Updated: 3.11.08)

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Introduction

The Procurement Reform Amendment Act of 1996 established a centralized procurement office to manage all District of Columbia procurement functions. The office created as a result of this Act is the Office of Contracting and Procurement.

The purpose of centralizing procurement is to take full advantage of the fact that we, as a city, are a large and important customer. We can and should receive the best discounts and service levels from our suppliers. Additionally, a centralized procurement office standardizes policies and procedures that make our buying operation more fair and consistent, as well as more sensible to our suppliers. The result is greater efficiency and better value for the public that has entrusted us with this process.

This document serves as a general overview of the contracting and procurement process in the District of Columbia. It serves as a guide for District personnel, from the identification of a minimum need to the closeout of a contract. Within this document is a simple narrative describing the work that all process partners – the Office of Contracting and Procurement (OCP); customer agencies; the Office of the Chief Financial Officer (OCFO); the Executive Office of the Mayor (EOM);

and the Council of the District of Columbia (Council) – must complete in order to realize successful procurement outcomes.

The process described incorporates opportunities to streamline citywide procurement by conducting parallel tasks and eliminating unnecessary activities.

Additionally, OCP believes it is essential for all contracting professionals in the District of Columbia to adhere to a strong code of ethics governing the conduct of every person conducting procurement. Keeping that in mind, our office strives to serve as a trusted business advisor to you: our customers. To that end, we offer this guide to help you retrieve the basic information on procurement that you need.

Code of Ethics

OCP believes the following principles govern the conduct of every person conducting procurement on behalf of the Government of the District of Columbia:

- *Is required to fully understand the dignity and worth of the service rendered by the agency, and the societal responsibilities assumed as a trusted public servant.*
- *Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.*
- *Understands that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.*
- *Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.*
- *Fully understands that members of the agency should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.*
- *Keeps the Agency informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.*
- *Eliminates encroachment or control of personnel in order to preserve integrity as a professional manager.*
- *Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy, and other protected characteristics.*
- *Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.*

Chapter 1

OCP A Snapshot

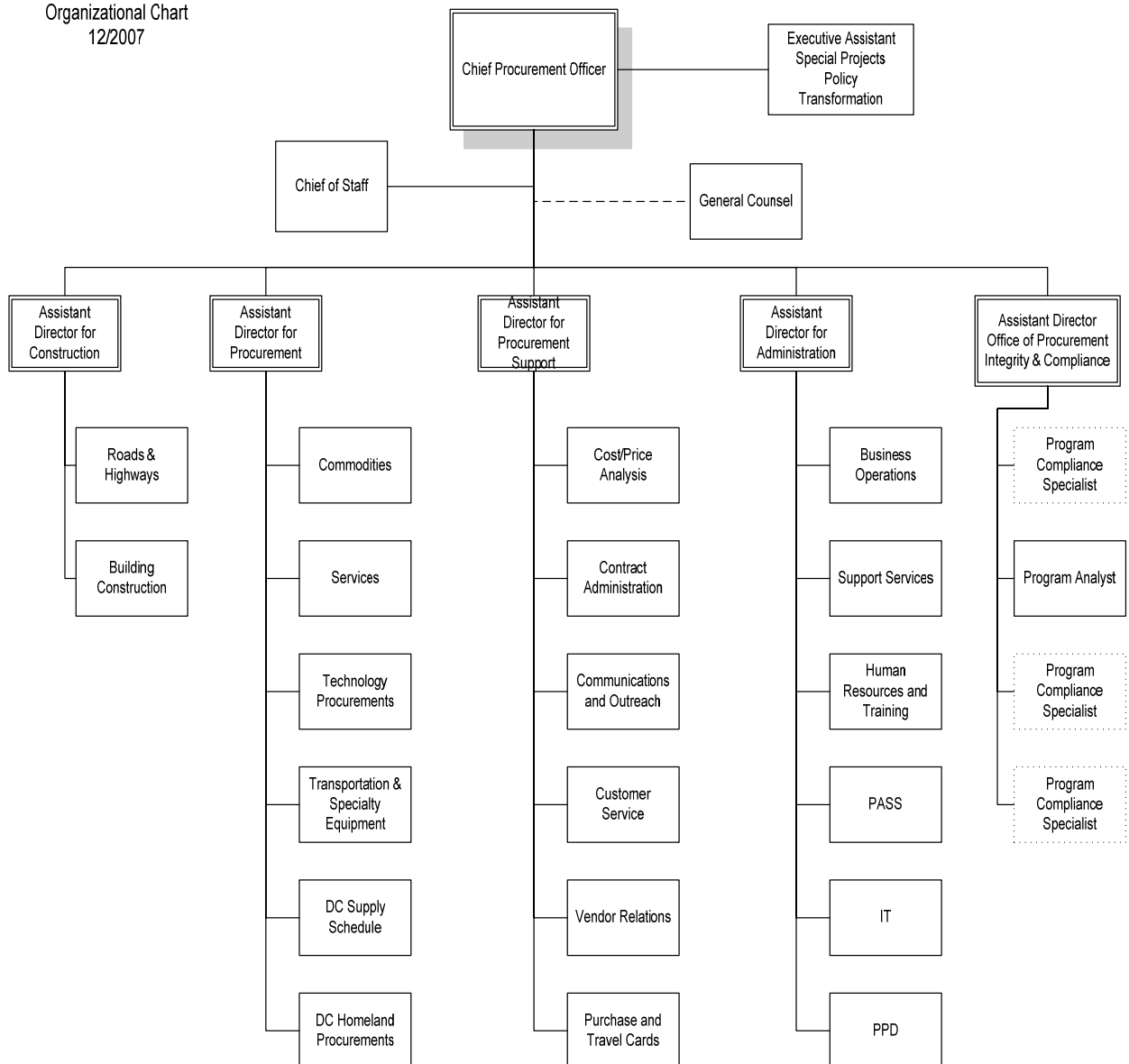
1.1 Mission Statement

To provide quality goods and services for District agencies through a coherent and streamlined procurement process that is responsive to the needs of its customers and suppliers.

1.2 OCP Organization and Structure

OCP supports 64 District agencies. It processes more than 20,000 transactions annually.

Office of Contracting and Procurement
Organizational Chart
12/2007



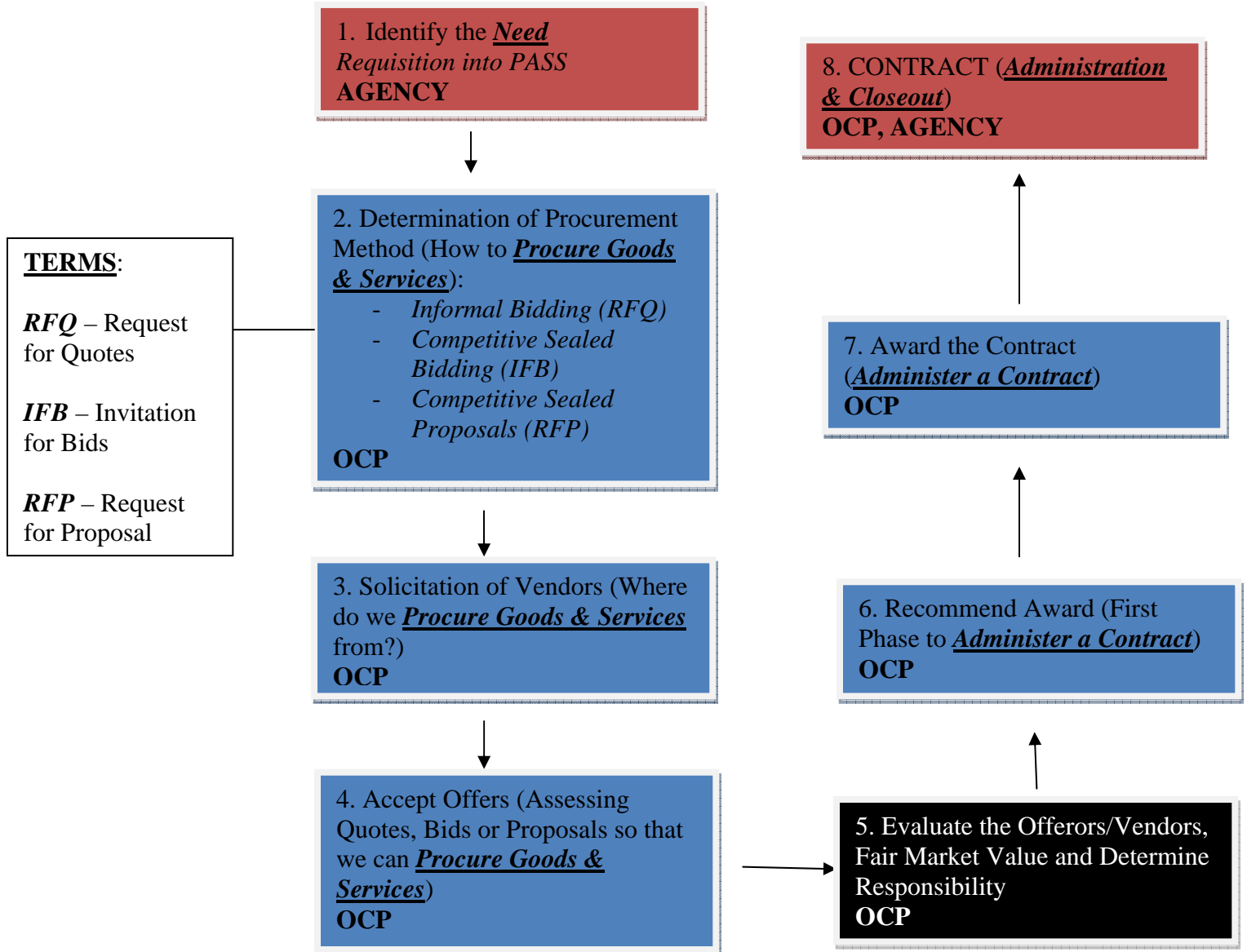
1.3 The 4 Elements of the OCP Process - Overview

The contracting and procurement process for the District is organized into four primary components:

- *Minimum Need and Funding (agency responsibility)*
- *Procure Goods and Services (OCP responsibility)*
- *Administer Contract (Joint agency/OCP responsibility)*
- *Closeout Contract (OCP responsibility)*

1.4 The 4 Elements of the OCP Process – Flow Chart

The following flowchart illustrates the “4 Elements” of the OCP Procurement Process, from the agency identifying a “need” to the “closeout of a contract”:



Chapter 2

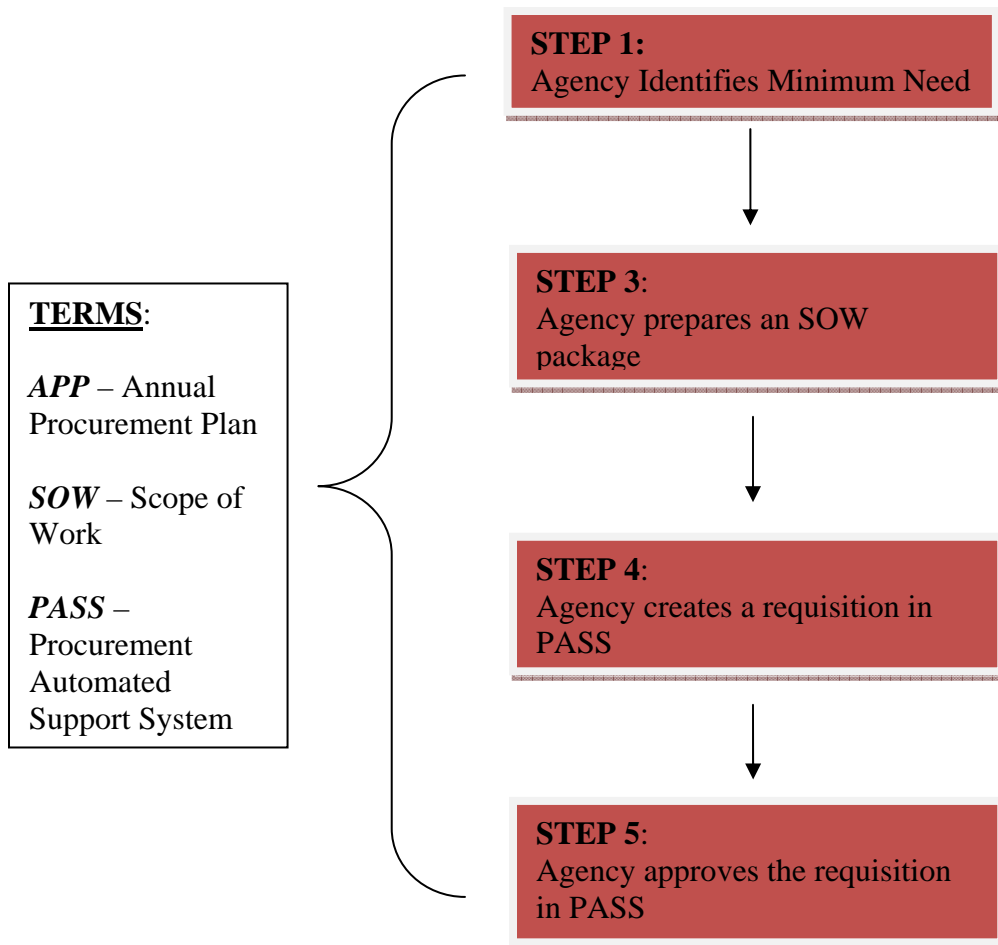
Minimum Need and Funding

2.1 The Minimum Need for a Good or Service

District government agencies serviced by OCP always have a need for a particular good or service. When a need arises, it is essential that an agency consults with OCP to conduct an assessment of that need through the five following steps:

- *Identifying Minimum Need*
- *Preparing Annual Procurement Plans (APP)*
- *Preparing Procurement Packages*
- *Creating Requisitions in PASS*
- *Securing Requisition Approvals*

2.2 Need and Funding Process – Flow Chart



Chapter 3

Procuring Goods and Services

3.1 Procuring Goods and Services

The procurement of goods and services are procured by utilizing the following procurement methods:

- ***Competitive Sealed Bids (the actual solicitation is referred to as: Invitation for Bids or “IFB”)***
This process is used for purchases over the small purchase threshold
- ***Competitive Sealed Proposals (the actual solicitation is referred to as: Request for Proposals or “RFP”)***
This process is used only when you cannot specify a solution.
- ***Small Purchases (the actual solicitation is referred to as: Request for Quotes or “RFQ”)***
This process is used for purchases under the small purchase threshold.

The agency is fully responsible for the development of specifications as OCP considers them the experts on their need. OCP stands to help so that we have an open, biddable specification that allows the District to take full advantage of the competitive marketplace and thereby receive best value for taxpayer dollars.

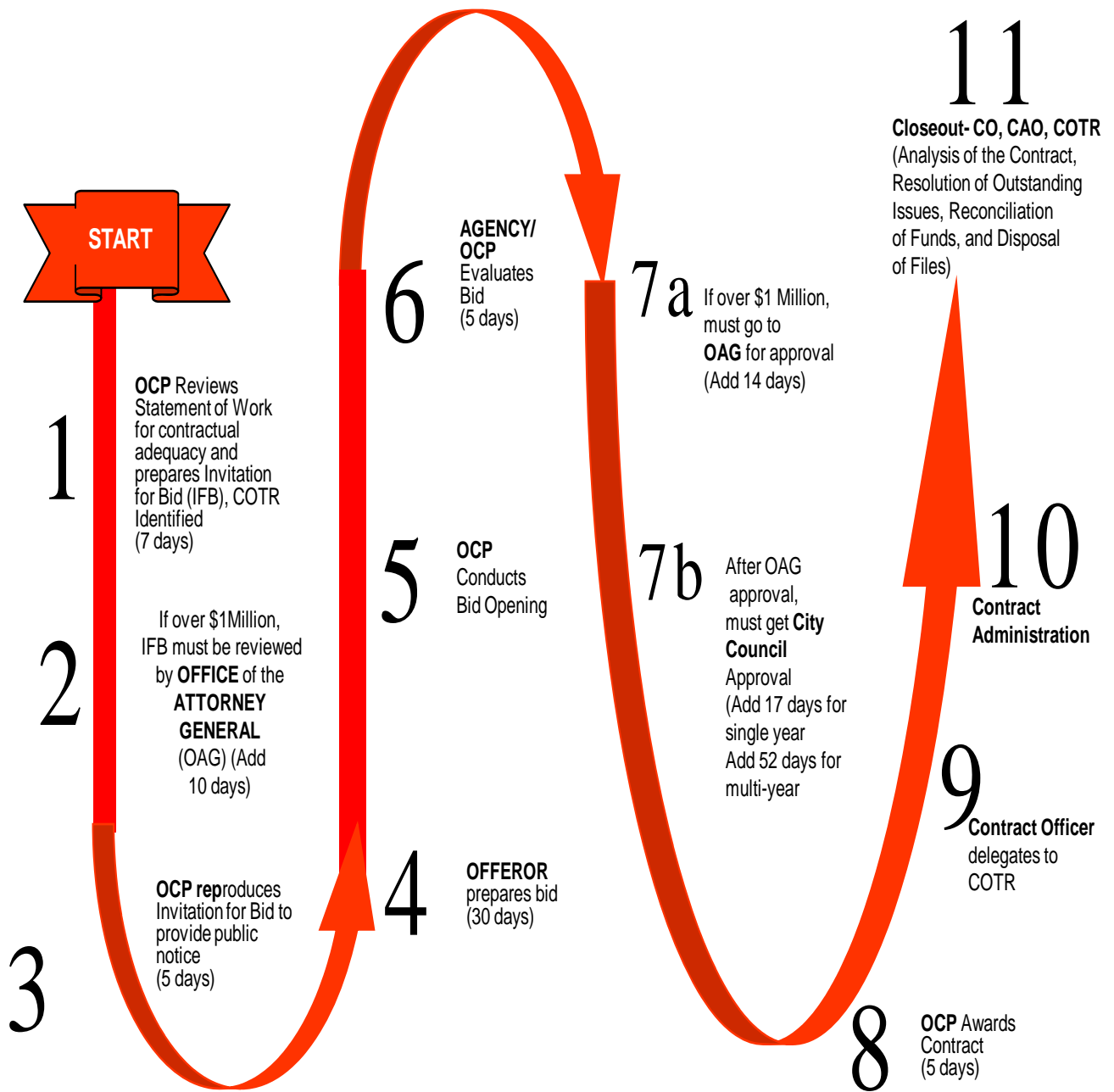
3.2 The Agency Procurement Package

When a requisition is processed and funds are certified as available, the Contracting Officer will receive a procurement package for either: 1) an *Invitation for Bid (IFB)* or 2) a *Request for Proposal (RFP)* from the agency. Using the templates provided by OCP, the procurement package should include:

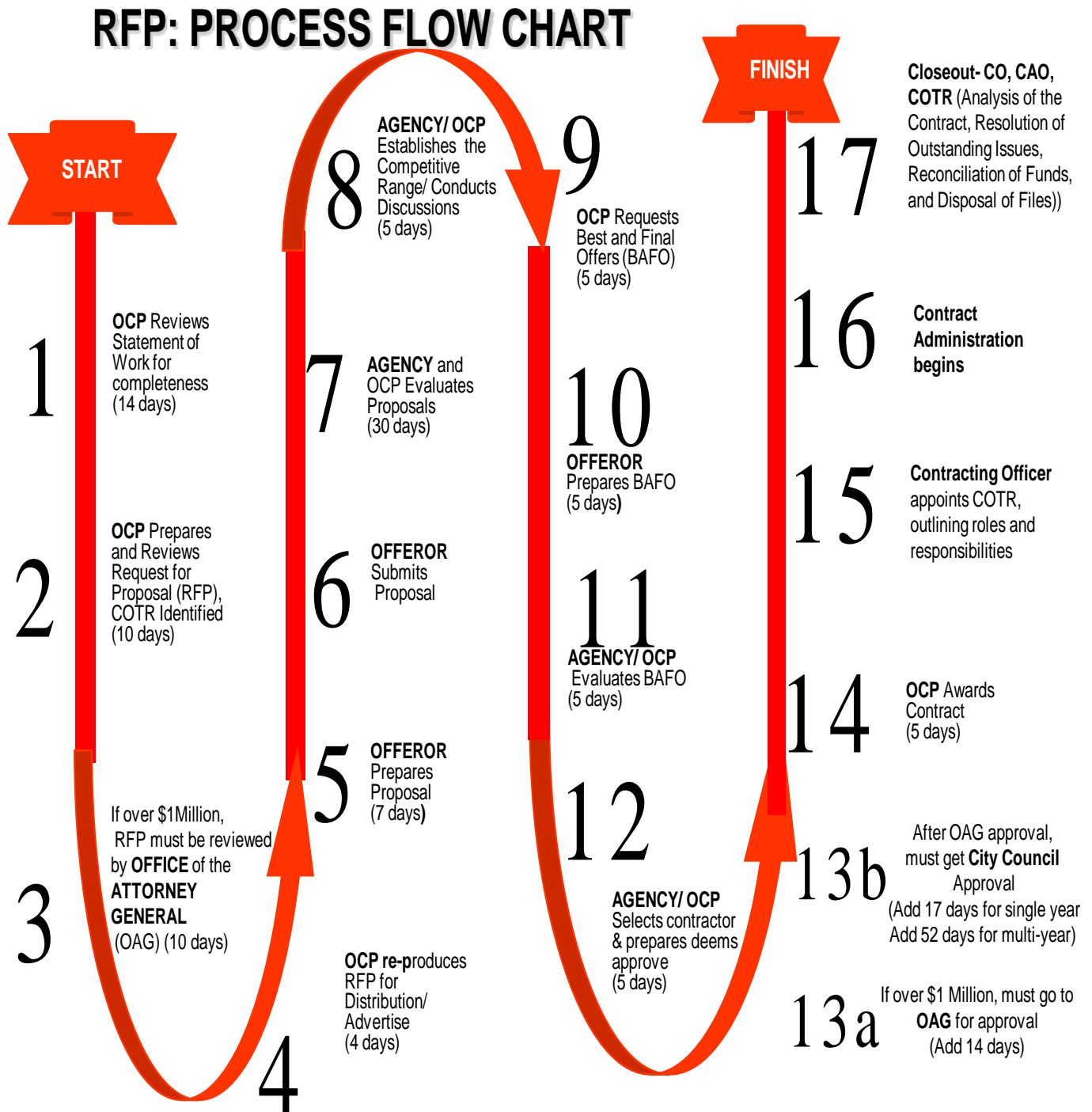
- *A Scope of Work (SOW) (Section C of the templates)*
- *An Independent Government Estimate (IGE)*
- *Certification of funds (i.e. a requisition in PASS or certification of funding signed by the Agency Chief Financial Officer (CFO))*
- *Identify deliverables (Section F of the templates)*
- *Offer submission requirements (Section L of the templates)*
- *Evaluation criteria (Section M of the RFP template)*
- *Bidders List (list of potential offerors)*
- *Agency recommends Contracting Officer's Technical Representative (COTR)*

3.3 Invitation for Bids (IFB) – Flow Chart

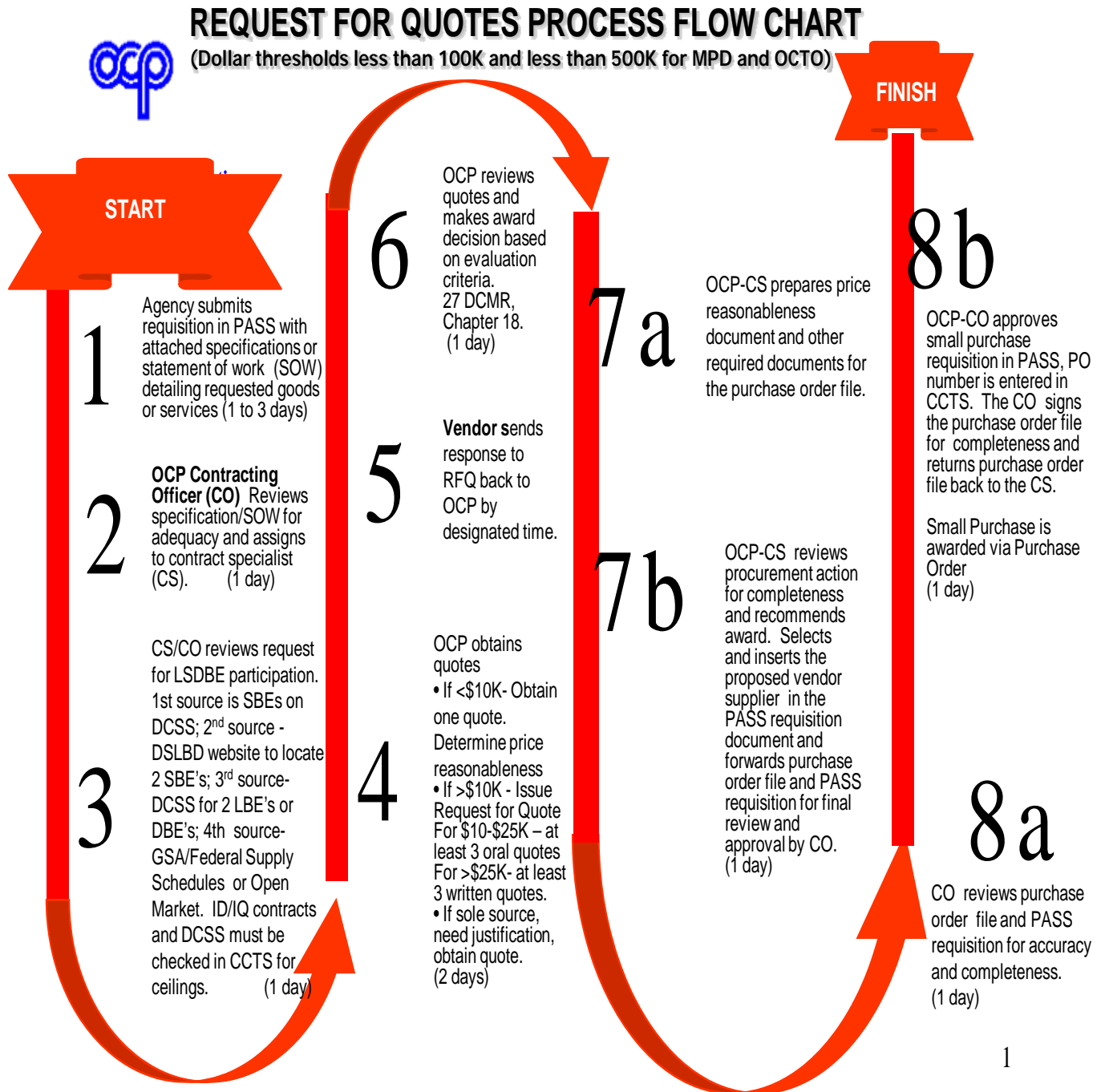
IFB: PROCESS FLOW CHART



3.4 Request for Proposal (RFP) - Flow Chart



3.5 Request for Quotes (RFQ) – Flow Chart



3.6 Roles & Responsibilities

During the procurement process, OCP and the agency have differing roles and responsibilities. The following table provides a very simple overview of the differing roles each entity is expected to play throughout the process, and what each agency is responsible for:

AGENCY	OCP
<ul style="list-style-type: none">■ Identify Minimum Need and Requirement■ Prepare the Scope of Work■ Budget and provide funding■ Enter Requisition in PASS■ Recommend the COTR■ Certify Invoices for payments from D.C. Chief Financial Officer (CFO)	<ul style="list-style-type: none">■ Appoint the COTR■ Collaborate with the agency on complex requirements■ Distribute PASS workload■ Training■ Audits and oversight

Chapter 4

Preparing Million Dollar Packages

4.1 Million Dollar & Multi-year Packages

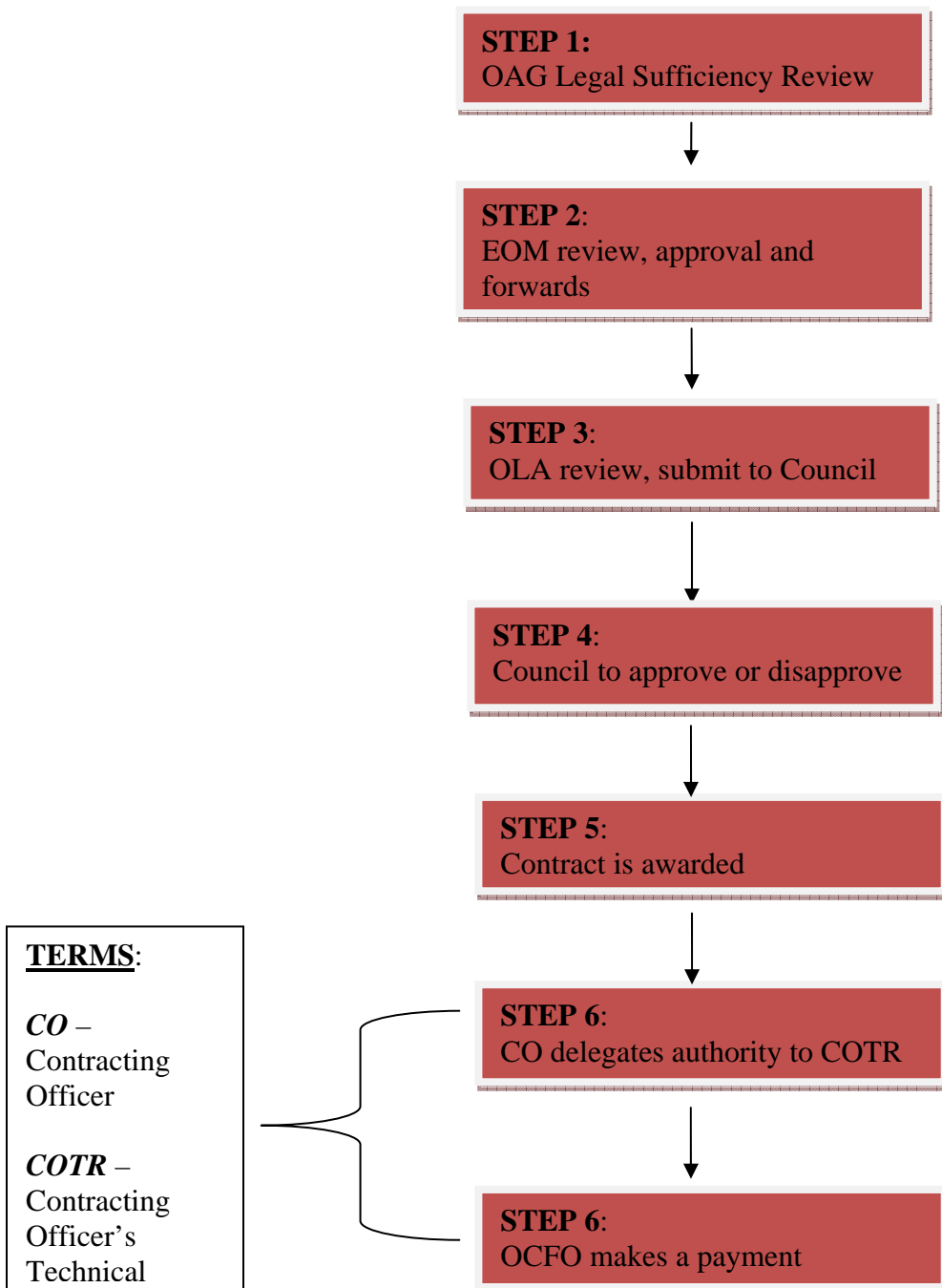
If what you, as an agency, are buying is expected to cost more than \$1 million or if you need this good or service for more than 1 year, then you are required to seek approval from the District of Columbia City Council

The following agencies and offices are involved in that process:

- *Office of Contracting and Procurement (OCP)*
- *Office of the Attorney General (OAG)*
- *Executive Office of the Mayor (EOM)*
- *Office of Legislative Affairs (OLA)*
- *District of Columbia City Council (Council)*
- *Office of the Chief Financial Officer (OCFO)*

4.2 The Million Dollar & Multi-year Contract Process

The following provides an illustration of the Million Dollar and Multi-year Contract approval process:



4.3 Roles & Responsibilities

The offices and agencies involved in the preparation of Million Dollar and Multi-year Packages have differing roles and responsibilities. The following table provides a very simple overview of the differing roles each entity is expected to execute throughout the process, and what they are responsible for:

OAG	EOM	OLA	Council	OCP	OCFO
Reviews \$1M+ packages for legal sufficiency	City Administrator and Mayor's legal counsel review, approve and forwards	Reviews and prepares package for formal submission to Council from EOM	Reviews to approve and/or disapprove	Contracting Officer awards contract and delegates authority to agency COTR	Makes payments to vendors upon invoice certification from agency

Appendix A

**Glossary
of
Common
Procurement
Terms**

GLOSSARY OF COMMON PROCUREMENT TERMS

Acceptance	<p>The act of accepting any offer. To be binding, acceptance must be:</p> <ul style="list-style-type: none">• Definite• Communicated• Unconditional – acceptance is the conditional upon a change in the offer is actually a counteroffer, in which case acceptance to the original offer is not binding.
Acquisition/ Procurement	<p>The terms “<i>acquisition</i>” and “<i>procurement</i>” (which are synonymous in District Law) mean the obtaining by contract, of property, supplies and services (including construction) by and for the District Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition/procurement include the establishment of agency needs, the description of requirements to satisfy agency needs, solicitation of sources, award of contracts, contract financing, contract performance, and process of fulfilling agency needs by contract.</p>
Acquisition Plan (AP)	<p>The acquisition plan is an administrative tool in which agency program offices report their upcoming formal contract actions. It is designed to assist the program and procurement offices in planning effective and efficient accomplishments of an assigned procurement. The Acquisition Plan is used in part with the Service Level Agreement (SLA) process.</p>
Acquisition Planning	<p>The process by which the efforts of all personnel responsible for a procurement are coordinated and integrated through a comprehensive plan for fulfilling an agency’s need in a timely manner and at a reasonable cost. It includes developing an overall acquisition strategy for managing the acquisition plan. Acquisition Planning is used in part with the Service Level Agreement (SLA) process.</p>
Actual Costs	<p>Amounts determined on the basis of costs incurred, as distinguished from forecasted costs. Actual costs include standard costs properly adjusted for applicable variances.</p>
Advanced Payments	<p>Payments made prior to performance of services or delivery of supplies.</p>

Agency Head	The director or chief official, regardless of actual title, of any District agency, office, department, or other entity of the District other than an independent agency, the District of Columbia courts, the Mayor, or the Council of the District of Columbia.
Allowable Costs	Costs determined to be permissible based on reasonableness, allocability, and generally accepted accounting principles and practices appropriate to the particular circumstances.
Amendment	Any change to a solicitation issued by a contracting officer.
Appropriate Fiscal Authority	The budget officer, controller, or other designated District official.
Assignment of Contract Payments	The transfer by a contractor to a financial institution of the contractor's right to receive payments under the contract.
Award Information	Information regarding the name of the contractor and the amount of the contract award.
Bid Bond	A bid security in the form of a bond.
Bid Samples	A sample to be furnished by a bidder to show the characteristics of the product offered in a bid that cannot adequately be described by specifications or purchase descriptions (e.g., balance, facility, or use, or pattern).
Bid Security	A form of guarantee assuring that the bidder or offeror will not withdraw a bid or proposal within the period specified for acceptance and will execute a written contract and furnish required bonds or other security, including any necessary coinsurance agreements, within the time specified in the solicitation, unless a longer time is allowed, after receipt of the specified forms.
Bilateral Contract	A contract modification that is signed by the contractor and the contracting officer.
Blanket Purchase Agreement	A pre-contractual agreement with a vendor that establishes a charge account for supplies or services which allows an agency to

make small purchases without the issuance of a purchase order for each individual purchase. Payments are made on a monthly basis.

Board

A panel of the Contract Appeals Board or alternatively, unless the context indicates otherwise, the Chairman or another law member acting alone.

Bond

A written instrument executed by a bidder or contractor (the principal), and a second party (the surety or sureties), to assure fulfillment of the principal's obligations to a third party (the obligee or District), identified in the bond. If the principal's obligations are not met, the bond assures payment, to the extent stipulated, for any loss sustained by the obligee.

**Brand Name
Description**

A purchase description that identifies a product by its brand name and model, part number, or other appropriate nomenclature by which the product is offered for sale.

**Certified Business
Enterprises (CBE)**

Vendors who have been certified by the DC Office of Local Business Development as: local businesses, small businesses, disadvantaged businesses, resident-owned businesses and businesses in an enterprise zone.

**Change-of-Name
Agreement**

A legal instrument executed by the contractor and the District that recognizes the legal change of name of the contractor without disturbing the original contractual rights and obligations of the parties.

Change Order

A written order signed by the contracting officer directing the contractor to make a change that the contracting officer is authorized to order without the contractor's consent pursuant to the contract.

Claim

A written demand or written assertion by the District or a contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract.

Clarification	Communication with an offeror for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal. It is achieved by explanation or substantiation, either in response to District inquiry or as initiated by the offeror.
Commercial Off-The-Shelf (COTS) Item	An item produced and placed in stock by a contractor, or stocked by a distributor, before receiving orders or contracts for its sale. COTS items require no unique Government modification to meet the needs of the Government.
Competition	A procurement strategy where more than one contractor that is capable of performing the contract is solicited to submit an offer for supplies and services. The successful offeror is selected on the basis of criteria established by the agency's contracting office and the program office for which the work is to be performed.
Competitive Sealed Bidding	A method of contracting that, through an " <i>Invitation for Bids</i> ", solicits the submission of competitive bids, followed by a public opening of the bids. A contract is then awarded to the responsible bidder who submitted the lowest priced responsive bid.
Competitive Sealed Proposals	A method of contracting which, through a " <i>Request for Proposals</i> ", includes the submission of sealed written technical and price proposals from two (2) or more sources and a written evaluation of each proposal in accordance with the evaluation criteria set forth in the RFP. These criteria consider price, quality of the items, performance, and other relevant factors.
Competitive Range	Is determined by the Contracting Officer on the basis of cost or price and other factors, in accordance with the evaluation criteria that were stated in the solicitation, and shall include all proposals that have a reasonable chance of being selected for an award.
Contract	A mutually binding relationship obligating the contractor to furnish supplies or services, and an agency to pay for them. It includes, but are not limited to: Contracts providing for the issuance of awards and notices of awards, job orders or task orders issued under basic

ordering agreements; letter contracts; purchase orders; supplemental agreements and contracts modified with respect to any of the foregoing under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants.

Contractor	Any business that enters into a contract agreement with the District. The business may take the form of a corporation, a partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.
Contract Administration	All services associated with the oversight of the contractor's performance.
Contract Award	Occurs when the contracting officer and the contractor has signed the contract.
Correction	The elimination of a defect.
Cost	The amount paid or charged for something. Cost does not include the contractor's profit.
Contract Analysis	The review and evaluation of the separate cost elements and proposed profit of an offeror's or contractor's cost or pricing data and the judgmental factors applied projecting from the data to the estimated costs, in order to form an opinion on the degree to which the proposed costs represent what the contract should cost, assuming reasonable economy and efficiency.
Cost or Pricing Data	All facts as of the time or price agreement that prudent buyers and sellers would reasonably expect to affect price negotiations significantly. Cost or pricing data are factual, not judgmental, and are therefore verifiable. While they do not indicate the accuracy of the prospective contractor's judgment about estimated future costs or projects, they do include the data forming the accounting data; they are all the facts that can be reasonably expected to contribute to the soundness of estimates of future costs and to the validity of determinations of costs already incurred. They also include factors such as vendor quotations; nonrecurring costs; information on changes in production methods or purchasing volume; data supporting projections of business prospects and objectives and related operational costs; and unit cost trends, such as those associated with labor efficiency, make-or-buy decisions, estimated resources to attain business goals, and information on management decisions that could have a significance bearing on cost.

Cost-Plus-Award-Fee Contract

A cost-reimbursement type contract which provides for a fee consisting of an amount fixed at the beginning of the contract and potential award of additional fee amounts based upon a judgmental evaluation by the contracting officer, sufficient to provide motivation for excellence in contract performance.

Cost-Plus-Fixed-Fee Contract

A cost-reimbursement type contract which provides for the payment of a fixed fee to the contractor. The fixed fee, once negotiated, does not vary with actual cost, but may be adjusted as a result of any subsequent changes in the work or services to be performed under the contract.

Cost-Plus-Incentive-Fee Contract

A cost-reimbursement type contract which provides for an initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs. After performance of the contract, the fee payable to the contractor is determined in accordance with a negotiated formula.

Cost-Reimbursement Contract

A contract which provides for payment of allowable costs incurred in the performance of a contract, to the extent prescribed in the contract. This type of contract establishes an estimate of total cost for the purpose of obligating funds, and establishes a ceiling which the contractor may not exceed (except at its own risk) without prior approval of, or subsequent ratification by, the contracting officer.

Council

The Council of the District of Columbia.

Cure Notice

A notice in writing in which the contracting officer specifies a contractor's failure to perform some provision of the contract or failure to make sufficient progress on contract performance so as to endanger performance of the contract. The notice includes a period of time in which the contractor will be allowed to cure the failure.

Date of Contract

The date on which the contract is signed by the contracting officer.

Debarment	Action taken by the Director to exclude a contractor from District contracting and District-approved subcontracting for a reasonable, specified period. A contractor so excluded is debarred.
Deficiency	Any part of a proposal that fails to satisfy the District's requirement.
Definite-Quantity Contract	A contract that provides for delivery of a definite quantity of specific supplies or services for a fixed period, with deliveries to be scheduled at designated locations.
Definitive Contract	The contract executed pursuant to letter contract commitment.
Deliverable	A report or product that must be delivered to the government by the contractor to satisfy contractual requirements.
Descriptive Literature	Information (such as cuts, illustrations, drawings and brochures) which shows the characteristics or construction of a product or explains its operation.
Destination	The point designated in the contract at which the end product is received.
Determination And Findings (D&F)	A special form of written approval by an authorized official that is required by statute or regulation as a prerequisite to taking certain contracting actions. The determination is a conclusion or decision supported by the findings. The findings are statements of fact or the rationale essential to support the determination and cover each applicable requirement of the statute or regulation.
Direct Cost	Any cost that can be identified specifically with a particular final cost objective or is incurred directly for a particular contract.
Direct Labor	Labor required to complete a product or service. This includes fabrication, assembly, inspection and test for constructing an end product.
Direct Materials	Includes raw materials, purchase parts and subcontracted items required to manufacture and assemble completed products. A direct material cost is the cost of material used in making the product.

Discussion	Any oral or written communication between the District an offeror (other than communications conducted for the purpose of minor clarification) whether or not initiated by the District, that involves information essential for determining the acceptability of a proposal, or provides the offeror an opportunity to revise or modify its proposal.
Dispute	A disagreement between the contractor and contracting officer regarding the rights of the parties under a contract.
District of Columbia Supply Schedule (DCSS)	A series of schedules and identified vendors compiled by the Office of Contracting and Procurement (OCP) commonly used for goods and services available to District government agencies at specified negotiated prices on single and multiple awards. Some schedules take the form of blanket purchase agreements others are contracts.
Effective Date of Termination	The date on which the notice of termination requires the contractor to stop performance under the contract. If the termination notice is received by the contractor subsequent to the date fixed for termination, then the effective date of termination is the date the notice is received by the contractor.
Emergency Procurement	A procurement action initiated and processed as an exception to the competitive procedures of 27 DCMR Chapters 15 and 16 as a result of an imminent threat to the public health, welfare, property or safety, thereby creating an immediate need for supplies, services or construction, the lack of which would seriously threaten the health or safety of any person, the preservation or protection of property, or the continuation of necessary governmental functions.
Encumbrance	The reserving of funds for obligation at the time the contract was signed by an agency's warranted contracting officer.
Estimating Costs	The process of forecasting a future result in terms of cost, based upon information available at the time.
Executed	Agreed to and signed by the parties to a transaction.
F.O.B.	Freight on board.

Firm	Any individual, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.
Firm-Fixed Price Contract	A fixed-price type contract that provides for a price that is not subject to any adjustment on the basis of the contractors' cost experience in performing the contract. This type of contract places maximum risk and full responsibility for all costs and resulting profit or loss upon the contractor, and provides maximum incentive for the contractor to control cost and perform effectively.
Fiscal Year	The accounting period for which annual financial statements are regularly prepared.
Fixed-Price Contract With Economic Price Reduction	A fixed-price type contract that provides for the upward and downward revision of the stated contract price upon the occurrence of certain contingencies that are specifically defined in the contract.
Fixed-Price Incentive Contract	A fixed-price type contract that provides for adjusting profit and establishing the final contract price by a formula based on the relationship of final negotiated total costs to total target costs. After performance of the contract, the final cost is negotiated and the final contract price is then established in accordance with the formula.
Fringe Benefits	Allowances and services provided by the contractor to its employees as compensation in addition to regular wages and salaries.
Government Furnished Property	Equipment and facilities furnished by the government to a contractor or the recipient, or acquired by a contractor or a recipient at government expense for use during the performance of a contract.

Incentive Contract	A fixed-price or cost-reimbursement type contract which provides for relating the amount of profit or fee payable under the contract with the contractor's performance in order to obtain specific procurement objectives.
Indefinite-Quantity Contract	A contract that provides for an indefinite quantity, within written stated limits, of specific supplies or services to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the contractor. The contract requires the District to order and the contractor to furnish at least a stated minimum of supplies or services.
Indirect Cost Rate	The percentage of dollar factor that expresses the ratio of indirect expense incurred in a given period to direct labor cost, manufacturing cost, or another appropriate base for the same period.
Indirect Costs	Any cost not directly identified with a single contract, but identified with two (2) or more final cost objectives or an intermediate cost objective.
Inspection	Examining and testing supplies, services, or construction to determine whether they conform to contract requirements. This includes, when appropriate, examination and testing of raw materials, components, and intermediate assemblies.
Insurance	A contract which provides that, for a stipulated consideration, the insurer undertakes to indemnify the insured party against risk of loss, damage, or liability arising from an unknown or contingent event.
Interested Party	An actual or prospective bidder or offeror whose direct economic interest would be affected by the award of a contract or by the failure to award a contract, or who is aggrieved in connection with the solicitation of a contract.
Invitation for Bids (IFBs)	A solicitation used to request price offers for goods, services and construction under competitive sealed bidding procedures.

Letter Contract A written preliminary contractual instrument that authorizes the contractor to begin immediately manufacturing or delivering supplies or performing services. A letter contract is always associated with a definitive contract, and a letter contract by itself cannot be the sole document used for a complete procurement.

List of Debarred, Suspended, and Ineligible Contractors A list compiled, maintained, and distributed by the Office of Contracting and Procurement (OCP) which contains the names of contractors debarred or suspended under the provisions of this chapter, as well as contractors declared ineligible under other statutory or regulatory authority.

Lowest Evaluated Bid Price The lowest bid price after considering all price related factors.

Market Analysis The process of analyzing prices and trends in the competitive marketplace to compare product availability and offered prices with market alternatives and establishes the reasonableness of offered prices. The market analysis is one of the elements of the price analysis.

Market Survey A testing of the marketplace to ascertain whether other qualified sources capable of satisfying the District's requirement exist. It may range from written or telephone contracts with knowledgeable experts regarding similar or duplicate requirements, and the results of any market test recently undertaken, to the more formal sources-sought announcements in pertinent publications (such as technical or scientific journals or the Commerce Business Daily) or solicitations for information or planning purposes.

Maximum Order Limitation The dollar amount or unit quantity above which a contracting officer may not submit orders and a contractor may not accept orders. The limitation is generally specified in the schedule contract.

Medical and Human Care Services Services provided by professionals whose occupations are subject to licensure under the D.C. Health Occupations Revision Act of

1998, D.C.Law 6-99, D.C. Code '2-33-1.1 et seq. (1986 Supp).
CHECK IF IT HAS BEEN UPDATED

Minimum Order

The dollar amount or unit quantity below which a contracting officer may not submit orders and a contractor is not obligated to accept orders. It is generally specified in each schedule contract. Orders below established minimums are generally subject to the contractor's acceptance.

**Minor Informality
Or Irregularity**

Some immaterial defect in a bid or variation of a bid from the exact requirements of the IFB that can be corrected or waived without being prejudicial to other bidders. The defect or variation is immaterial when the effect on price, quantity, quality, or delivery is negligible when contrasted with the total cost or scope of the requirement.

**Multiple Award
Schedule**

A contract made with more than one (1) supplier for comparable supplies and services at varying prices for delivery within the same geographic area.

Multi-Year Contract

A contract for a period covering more than one (1) fiscal year but not more than five (5) fiscal years.

Nonprofit Organizations

A domestic university or an organization of higher education or an organization of the type described in section 501 (c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 5018 and exempt from taxation under 26 U.S.C. 501 (a), or any domestic nonprofit scientific or educational institution.

**Notice of Intent to
Award**

A written notice to the apparent awardee advising of intent to award the contract contingent upon the execution of required bonds and the formal contract, and the obtaining of all necessary approvals.

Novation Agreement

A legal instrument executed by a contractor (transferor), the successor in interest (transferee), and the District by which, among other things, the District recognizes the transfer of the contract and related assets.

Option	A unilateral right in a contract under which, for a specified time, the District may elect to purchase additional quantities or services called for by the contract, or may elect to extend the term of the contract.
Organizational Conflict of Interest	When the nature of the work to be performed under a proposed District contract might, without some restraint on future activities, result in an unfair competitive advantage to a contractor or impair a contractor's objectivity in performing contract work.
Partial Payment	The reduction of any debt or demand for payment of a sum less than the whole amount originally due.
Partial Termination	The termination of a part, but not all, of the work that has not been completed and accepted under a contract.
Payment Bond	A bond that ensures payment as required by law to all persons supplying labor or material in the performance of the work provided for in the contract.
Performance Bond	A bond that secures performance and fulfillment of the contractor's obligations under the contract.
Plant and Specifications	Drawings, test and other descriptions of the physical or functional characteristics required for and preliminary to the construction.
Post-Execution	After signature by the contracting officer on a contract, change order, or modification.
Postmark	A printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed on the date of mailing by employees of the U.S. or Canadian Postal Service.
Pre-Award Survey	A detailed review (sometimes on-site) of contractor to ascertain information sufficient to make a determination regarding responsibility.
Price	Cost plus any fee or profit applicable to the contract type.

Price Analysis	The process of examining and evaluating a proposed price by comparing it with other offered prices, or prices previously paid for similar goods or services without evaluating its separate cost elements and proposed profit.
Price Ceiling	An amount established during negotiations or at the discretion of the contracting officer which constitutes the maximum that may be paid to the contractor for performance of a contract.
Profit	The amount realized by a contractor after the cost of performance (both direct and indirect) is deducted from the amount to be paid under the terms of the contract.
Procurement Request Requisition	A requires to a contracting office to procure supplies, services, or construction, D.C. Code _____.
Progress Payment	A payment made on the basis of services completed or supplies delivered. Progress payments are either customary or unusual. Customary progress payments are those based on rates specified in ‘3101.5. Unusual progress payments are those authorized at rates higher than those specified in ‘3201.5.
Procurement Practices Act (PPA)	The procurement law applicable to the agencies within the procurement authority of OCP.
Proposal	Any offer or other submission used as a basis for pricing a contract, contract modification, or termination settlement or for securing payments thereunder.
Proprietary Information	Information, including trade secrets, data, formulas, patterns, compilations, programs, devices, methods, techniques, or processes, that has the following characteristics: <ul style="list-style-type: none"> a). It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; or b). It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Prospective Price Determination

A contract type which provides for a firm-fixed-price for an additional period of contract deliveries or performance and for a redetermination of the price or subsequent period of performance at a stated time or times during performance.

Protest

A complaint about a solicitation of a contract brought by an actual or prospective bidder or offeror who is aggrieved in connection with the solicitation or award.

Purchase Order

An offer by the District to buy certain supplies, services, or other items from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the small purchase limit.

Request for Information (RFI)

A request for information is used when the government does not presently intend to award a contract, but needs to obtain price, deliver, other market information, or capabilities for planning purposes. Responses to requests for information notices are not offers and cannot be accepted by government to form a binding contract.

Request for Quotation (RFQ)

A solicitation document used in simplified acquisitions to communicate District requirements to prospective contractors.

Request for Proposal (RFQ)

A solicitation document used in a competitive sealed proposal method of procurement, to communicate the District's requirements to prospective offerors, when the use of competitive sealed bidding is not practical, and the award will be based on both price and non-price evaluation factors in the solicitation.

Responsive Bidder

A bidder, who has submitted a bid that conforms in all material respects to the invitation for bids.

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Show Cause Notice	A notice in which the contracting officer notifies the contractor in writing of the possibility of a termination for default. The notice calls the contractor's attention to the contractual liabilities if the contract is terminated for default, and request the contractor to show cause why the contract should not be terminated for default.
Single Award	
Schedule	A contract made with one (1) supplier at a stated price for specific items and for delivery to a geographic area defined in the schedule.
Small Purchase	A procurement of supplies, services, or other items in an aggregate amount not exceeding the small purchase authority limitations set forth.
Surety	A party legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation.
Subcontract	A contract between a prime contractor (or, in some instances, a subcontractor) and a subcontractor to furnish supplies or services for performance of a part of a prime contract or another subcontract, including, but not limited to, purchase order, and changes and modifications to purchase order.
Subcontracting Plan	A written plan submitted by a prime contractor and approved by a contracting officer, that describes goals and actions the contractor plans to take to use local, disadvantaged and enterprise, zone businesses in performing the contract.
Subcontractor	A supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.
Supplemental Agreement	A bilateral contract modification.
Suspension	Action taken by the Director to disqualify a contractor temporarily from District contracting and District-approved subcontracting. A contractor so disqualified is suspended.
Target Price	An amount established by the contracting officer during negotiations to encourage the contractor to control contract costs. The contractor's final profit varies inversely with the final cost of the contract.
Technical Evaluation Analysis	The examination and evaluation by personnel having specialized knowledge, skills, experience, or capability in engineering,

science, or management of proposed quantities and kinds of material, labor, processes, special tooling, facilities, and associated factors set forth in a proposal.

Telegraphic Bids

Bids or amendments to bids furnished by telegraph or mailgrams.

Term Contract

A requirements contract or an indefinite-quantity contract

Terminated Portion of The Contract

The portion of a terminated contract that relates to work or end items not completed and accepted before the effective date of termination and is that portion of the contract which the contractor is not to continue to perform. For construction contracts that have been completely terminated for convenience, it means the entire contract, notwithstanding the completion of or payment for individual items of work before termination.

Termination for Default

The exercise of the District's contractual right to terminate, completely or partially a contract because of the contractor's actual or anticipated failure to perform its contractual obligations.

Testing

The element of inspection that determines the properties or elements, including functional operation of supplies or other components, by the application of established scientific principles and procedures.

**Title 27, DCMR
District of Columbia
Municipal Regulations**

Procurement regulations applicable to the agencies within the procurement authority of OCP.

Time-and-Materials Contract

A type of contract that provides for the procurement of supplies or services on the basis of direct labor hours at specified fixed hourly rates (which include wages, overhead, general and administrative expenses, and profit) and material at cost.

Trade Discount

A price allowance or deduction, usually as a percentage, allowed to different classes of customers.

Two-Step Sealed Bidding	A method of contracting designed to obtain the benefits of competitive sealed bidding when adequate specifications are not available.
Unallowable Cost	Any cost which, under the provisions of any pertinent law, regulation, or contract, cannot be included in prices, cost-reimbursements, or settlements under a District contract to which it is allocable.
Unauthorized Commitment	The placing of an order orally or in writing for supplies or services by an agency employee who does not have a contracting officer warrant authorizing them to enter into a contract on behalf of the agency/District. Unauthorized commitments also include orders placed by contracting officers which exceed their authorized purchasing limit.
Underwriting Limitation	The maximum amount for which a surety can be liable under a bond or other security.
Unilateral Modification	A contract modification that is signed only by the contracting officer which effects a contract change directed by the government.
Unsolicited Proposal	A written proposal that is submitted to an agency on the initiative of the submitter for the purpose of obtaining a contract with the District and that is not in response to a solicitation.
Utility Service	Electricity, gas, telecommunications, water, sewerage, and steam that are available to the general public, and the provision of those services by government entities or private companies.
Warranty	A promise or affirmation given by a contractor to the District regarding the nature, usefulness, or condition of the supplies, services, or construction furnished under a contract.