

Key Government Contracting Terms

acquisition: the process of purchasing goods and services for the benefit of the agency activity

award phase: a phase that involves contract signing and commitment of agency funds or other resources

best value: an approach to contracting that awards an opportunity to the submitter whose proposal best meets the buyer's purchasing criteria at a competitive price

closeout: process that a buyer takes to ensure all applicable project work and administrative actions have been completed by the seller

contract: a mutually binding agreement that obligates the seller to provide specified results, products, or services and obligates the buyer to pay for them

contracting office: an office that approves and administers the contract

cost reimbursable contract: a type of contract where the seller is reimbursed for preapproved expenses and paid an additional amount as profit

finance and accounting office: an office that ensures the solicitation fits within the agency's funding

fiscal year: any 12-month period over which the agency budgets its spending

fixed-price contract: a type of contract with straightforward terms where the price of the product, service, or result is set at the outset of the project

lowest price technically acceptable: an approach to contracting that awards an opportunity to the lowest priced submitter whose proposal is technically acceptable

market survey: a technique used to identify qualified sources capable of fulfilling agency requirements

performance work statement (PWS): a type of statement of work for performance-based acquisitions that summarizes the work that needs to be done for a contract and sets minimum expectations

Project Management: Government Projects

with Oliver Yarbrough



pre-award phase: a phase that involves contract formation and establishment of high-level success criteria

post-award phase: a phase that involves contract and project management once the contract has been awarded; the goal is to make sure the project is delivered per the terms of the awarded contract

program office: an office that owns the mission and budget

purchase order (PO): a document issued by the buyer that indicates the descriptions, quantities, prices, payment terms, and performance dates; acceptance of the PO by a seller forms a contractual relationship

request for information (RFI): a document released to the general public to gain insight into industry capabilities to provide needed products, services, or results

request for proposal (RFP): a document eliciting proposals from vendors for specific needs of a buyer

request for quotation (RFQ): a document eliciting quotations from vendors for needed products, services, or results

small business office: an office that advocates for small businesses

solicitation: the process of formalizing the contracting method and type as defined by the acquisition plan, such as invitation for bid (IFB), request for proposal (RFP), and request for quotation (RFQ)

statement of objectives (SOO): a document that states the performance objectives of a solicitation in broad terms and provides maximum flexibility for respondents to offer their unique approaches to accomplishing the objectives

statement of work (SOW): a document that describes project-specific products, services, or results to be delivered within a given period of time

time and materials contract: a type of contract that combines elements of fixed and cost reimbursable contracts

Key Project Management Terms

critical path method (CPM): a method used to determine the minimum time needed to complete a project; often used in conjunction with the program evaluation and review technique

earned value management: a technique that provides more accurate project performance and progress measurements by combining elements of scope, time, and cost

life cycle cost: the sum of all recurring and nonrecurring costs over the entire life span of a product or service; it includes things such as the initial purchase price, installation costs, operating expenses, maintenance costs, and any residual value at the end of the ownership period

program evaluation and review technique (PERT): a method for planning and scheduling large, complex projects that identifies the workflows and determines which workflow will take the longest amount of time to complete; often used in conjunction with the critical path method

project: a set of interrelated processes undertaken to create unique products, services, or results

work breakdown structure (WBS): a document that captures the total scope of a project from the project's goal down to the individual work packages

budget: an approved cost estimate for a project

scope: the approved work that must be completed to deliver the end result, product, or service of the project

schedule: an approved estimate of a project's milestones, activities, and deliverables

The project scope, schedule, and budget combine to form an iron triangle that is useful in managing and measuring your project's success. Keep in mind that the project schedule and budget may differ from the internal baselines you have to adhere to.