There are several different ways you can find opportunities to do business with federal agencies and the military.  You can use these resources to get a sense of the federal marketplace for the products or services your business offers.

* Sign up for notifications from and search the [*Contract Opportunities Search Tool on beta.SAM.gov*](https://beta.sam.gov/search?index=opp&notice_type=r,p,k&page=1&is_active=true), which is now the official database of federal contracting opportunities. This will be the official U.S. government website for people who make, receive, and manage federal awards.
* Become part of the [*General Services Administration (GSA) Schedules Program*](https://www.gsa.gov/portal/category/100635)*.*
* Find contracts through individual agencies’ [*Offices of Small and Disadvantaged Business Utilization*](https://www.usa.gov/expand-business#item-213433)*.*
* *[Become a subcontractor by working for another company](https://www.sba.gov/contracting/finding-government-customers/subcontracting)* that already has a contract with the federal government.  This is a good way to introduce your company to contracting with the government and to build a track record of success.

**Support Services for Federal Contractors**

Explore ways to learn about federal government contracting, and find out where to get your questions answered.

* The [Government Contracting Classroom](https://www.sba.gov/learning-center) offers free online courses covering the basics of contracting with the federal government.
* [Procurement Technical Assistance Centers (PTACs)](https://www.aptac-us.org/) are funded through partnerships between the U.S. Department of Defense (DOD) and nonprofit state or local entities. There are more than 300 centers nationwide, with staff who can provide one-on-one counseling and help businesses complete registration and certification processes.
* [Procurement Center Representatives (PCRs)](https://www.sba.gov/federal-contracting/counseling-help) are U.S. Small Business Administration (SBA) staff embedded within other federal agencies. PCRs perform market research and advocate for small businesses. Businesses can [contact the PCR within an agency](https://www.sba.gov/federal-contracting/counseling-help/procurement-center-representative-directory)they are interested in working with to learn about contract opportunities that have not been awarded.
* Many federal agencies have an [Office of Small and Disadvantaged Business Utilization (OSDBU) or an Office of Small Business Programs (OSBP)](https://www.usa.gov/expand-business#item-213433). These offices can help small businesses identify contracting opportunities within each agency.
* The [SBA website’s Contracting section](https://www.sba.gov/federal-contracting) provides information to help businesses understand the federal contracting process and requirements.
* The [GSA Vendor Toolbox](https://vsc.gsa.gov/RA/toolbox.cfm) offers guidance and educational materials to businesses interested in pursuing contract opportunities through GSA Schedules.

**List of apps for Contract Management software.**

Contract management software helps businesses streamline and fasten administrative tasks such as contract request management, document authoring, monitor contract milestones, contract creation, and negotiation

<https://www.getapp.com/operations-management-software/contract-management/>

## How to Register for Government Contracts

Now that you’ve been convinced of the value of government contracts for small business, let’s talk about how to get started with government contracting. As you may have assumed, a few extra steps are involved in qualifying to serve as a contracted vendor for the U.S. government, and that includes registering in what’s called the System for Award Management.

Here’s how to register:

### 1. Obtain your DUNS number.

For each physical location of your business, you need to obtain a Dun & Bradstreet [DUNS Number](https://www.fundera.com/blog/free-business-credit-report) before proceeding with registration for government contracts. You can obtain a DUNS Number for free using the online [DUNS Request Service](http://fedgov.dnb.com/webform/displayHomePage.do;jsessionid=81407B1F03F2BDB123DD47D19158B75F).

### 2. Find your company’s NAICS code.

Most businesses also need a North American Industry Classification System (NAICS) code, which classifies your business’s industry, country, and economic sector for purposes of government contracting. This code is needed in order to register your business.

Consult the Small Business Administration (SBA) for guidance on [identifying your industry code](https://www.sba.gov/content/identifying-industry-codes), keeping in mind that if your business operates across multiple industries or sectors, you might need to report multiple NAICS codes.

### 3. Determine your business size.

You might assume that determining your business’s size doesn’t require much thought. However, for the purposes of qualifying for government contracts for small businesses, you need to qualify according to [SBA size standards](https://www.fundera.com/blog/sba-definition-of-small-business).To help you easily answer this question, the SBA offers a [Size Standards Tool](https://www.sba.gov/tools/size-standards-tool), which uses your NAICS number along with some basic information about your business to determine whether it qualifies as an SBA-designated small business.

### 4. Register in the System for Award Management (SAM)

The System for Award Management (SAM) is a database of companies that are interested in government contracts, maintained by the U.S. government. Whereas a business customer in the private sector might come across your business on Google, LinkedIn, or some other search or social network, decision-makers at government agencies use SAM to identify potential vendors.

For this reason, small businesses looking to obtain government contracts should invest a similar level of effort into creating a compelling and search-friendly SAM profile as they would spend on [SEO strategy](https://www.fundera.com/blog/understanding-seo-strategy) or your company’s LinkedIn profile.

To get started, your business will need to register as a government vendor in the SAM system. While your SAM profile must be updated at least once a year to remain active, firms committed to obtaining government contracts should update and refine their SAM profile at least quarterly, if not monthly or more.

* Completing your small business profile: Start by registering for the site and running a few different searches for businesses similar to yours to notice what information their profiles include. Just like with traditional search engine optimization, the keywords you include are highly important. However, keep in mind that the services you offer to a government customer might differ slightly from your private sector offerings—meaning your search terms may differ as well.
* Writing your capability statement: Your business’s capability statement is perhaps the most important section of your SAM profile. This is the government version of your elevator pitch—your opportunity to concisely explain what your business does and how your offering may be beneficial to government customers.

Remember that although you’re pitching to government agencies, the decision-makers within those agencies are real people. Avoid the temptation to fall into overly technical and bureaucratic descriptions of your products or services. Working with a government agency doesn’t require stifling the personality behind your brand!

### 5. Solicit past performance evaluations.

If you’re new to seeking government contracts for bid, it may be worthwhile—though not always required—to obtain an [Open Ratings Inc. Past Performance Evaluation](http://www.ppereports.com/). Performed by a private sector of the Dun & Bradstreet Co., this independent auditing and rating system analyzes survey responses from your past customers to calculate a numerical rating of your past performance.

## How to Find Government Contracts for Bid

Beyond registering on SAMS, there are steps you can take to identify government contracting opportunities that would be a fit for your company’s products or services.

Here are the primary means you can use to find government contracts for bid:

### 1. Navigate SAM.gov.

[SAM.gov](https://beta.sam.gov/) is your go-to government contracts website to search all open opportunities for contracts valued at $25,000 or more. You can also view previously awarded contracts, which may help you with preparing future proposals.

### 2. Seek a subcontracting opportunity.

While the SAM.gov database handles direct contracts with government agencies—known in government terms as prime contracts—there is another form of government contracts for small businesses to explore: subcontracting.

As the name suggests, subcontracting opportunities involve negotiating contracts with current government contractors to complete a portion of the work designated by the prime contractors. In other words, subcontractors are the vendor’s vendor. Subcontracting on government contracts can be both a lucrative business opportunity and a chance to learn more about government contracting before attempting to bid on prime contracts directly with the U.S. government.

Similar to SAM.gov, the SBA maintains a searchable database called [SUB-Net](https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm) that highlights available subcontracting opportunities. If you’re just getting started with government contracting or would like a layer of experience between government agency clientele and your own business, searching SUB-Net for subcontracting opportunities is a great starting point.

### 3. Market directly to agencies.

If you’re in a very specific industry or know exactly which government agency your small business is most suited to contract with, you can market your firm directly to either targeted agencies or prime contractors. To do this, you would use SAM.gov and SUB-Net to identify existing procurement needs. Then, you can communicate directly to those agencies why your company is the right choice to fill that.

Opportunities to connect with agency decision-makers are available through procurement conferences, industry events, and even contract matchmaking events.

Even if an agency doesn’t have a current contract opening, taking advantage of direct marketing opportunities will help your business establish its name among the government contracting community as a key “contract player” in your line of work. Check out the website for [your local SBA district office](https://www.sba.gov/content/find-local-sba-office) to find trainings and events in your community that involve your target agencies.

### 4. Work with a bid-matching service.

For small businesses with more generalized offerings that are unsure of their ideal government agency fit, subscribing to a bid-matching service can be a useful means for finding government contracts. Most local [Procurement Technical Assistance Centers](http://www.aptac-us.org/find-a-ptac/) offer free bid-matching services, but you can also retain private and more customized services at a reasonable cost. Working with a bid-matching service also offers the added benefit of connecting you to experienced government contracting mentors who can help guide you through the proposal and procurement process.

## How to Get Government Contracts: Prepare Your Proposal

Though you likely have experience creating proposals and scope of work orders for prospective clients in the private sector, little can prepare you for the unique process of preparing a government contract proposal. In fact, completing a bid or proposal for a government agency may be more akin to completing your [business taxes](https://www.fundera.com/blog/small-business-taxes) or a stack of forms for the DMV.

Even so, there are plenty of opportunities to share your unique value add and let your business shine within the pages of your proposal—as long as you fit within the confines of agency formats and expectations.

### 1. Understand the solicitation type.

There are a few different avenues that government agencies use to request proposals from potential government contractors, and as you may have come to expect, each comes with its own jargony acronym and paperwork rundown. But the type of solicitation used for a particular contract tells you a lot about what the agency expects from your proposal, so it’s important to understand the difference.

Following are the main three solicitation types you’re most likely to see on SAM.gov or any other listing of government contracting opportunities:

#### Request for Quotation (RFQ)

A request for quotation is the simplified acquisition procedure for government agencies typically used for contracts under $150,000. However, while this is considered simplified by government standards, you may still find it more involved than other scope of work proposals your business has completed for private entities. Consult the SAM.gov database to view past RFQ proposals to better understand how an RFQ should be successfully completed for a business in your industry.

#### Request for Proposal (RFP)

Requests for proposal apply to larger negotiated acquisitions, meaning they allow for some back and forth between the government agency and the prospective vendor to settle upon mutually agreed pricing and terms. The process starts when a government agency issues an RFP describing the requirements of the contract, anticipated terms and conditions, and the information needed from applicants as part of the proposal. Complete and accurate information is key to responding to a request for proposal, so if you have any confusion about how to respond to certain provisions within an RFP, ask the contracting officer for clarification before submitting your proposal.

#### Invitation for Bid (IFB)

Invitations for bid refer to sealed solicitation processes for government procurement, meaning there is no negotiation between agency and vendor. The submitted bid package is considered final, and price point is most often seen as the key differentiator between qualified bidders.

Because of the sealed and final nature of the bidding process, responding to an IFB may be the case in which you’ll want to be most cautious in completing your documentation and setting your prices the first time. There won’t be an opportunity for any discussion or amendment, so if you overshoot the bid or leave out key information, the agency will almost certainly reject your bid in favor of another candidate.

### 2. Follow the uniform contract format.

No matter the type, all solicitations share the expectation that aspiring contractors follow a specific format. Success in procuring government contracts has as much to do with your ability to follow instructions in the proposal formatting and submission process as the substance of your proposal. So, make sure that you follow all schedules and forms within the solicitation in the exact order, structure, and time frame requested.  The [SBA’s free “Government Contracting 101” online course](https://www.sba.gov/sites/default/files/2018-02/gc101-1_workbook.pdf) is a great resource for in-depth understanding of the purpose, forms, and expectations for each of the 10 sections within the Uniform Contract Format.

### 3. Price your bid appropriately.

Federal contracting officers are expected to ensure that supplies and services for government agencies are purchased at fair and reasonable prices, and they conduct a significant amount of market research to understand typical pricing before making a proposal solicitation. At the same time, most solicitations are met with a competitive number of bids, leaving you as the business owner tasked with issuing a competitive bid while still reasonably maximizing your profit potential.

As you can imagine, setting your contract pricing well will be critical to your ability to win profitable government contracts. You need to consider your costs both during bidding and the fulfillment of the contract while allowing enough room for day-to-day overhead.

Remember as you bid that contracting officers aren’t necessarily seeking the lowest price, but rather the best value with all factors considered. Look for ways to add value in your bid without increasing overhead costs to maximize your company’s appeal as the “best value” offer.

## Additional Resources for Government Contracts

We hope this has been a useful primer on how to obtain government contracts for small business, but there’s certainly more to be learned within this expansive and complex industry. Fortunately, the SBA and other federal agencies have gone to great lengths to provide valuable resources for small business owners interested in federal contracts. Here are a few of the most useful resources we recommend.

### The SBA 8(a) Program

Small, [minority-owned](https://www.fundera.com/business-loans/guides/minority-business-loans), or otherwise disadvantaged businesses may benefit from participating in the [SBA 8(a) program](https://www.fundera.com/blog/sba-8a)—a business development and mentor program that, among other benefits, provides training and resources to help participating businesses compete in the federal contracting marketplace.

### SBA Government Contracting Classroom

Do you want to develop a more in-depth understanding of government contracting before diving into the federal marketplace? The [SBA Government Contracting Classroom](https://www.sba.gov/tools/sba-learning-center/training/government-contracting-101) is a wonderful online course series that thoroughly explains what you need to know about government contracts for small business. These courses are a great resource to learn more about the specific forms and processes involved in registering for, finding, and winning government contracts for small businesses.

### Procurement Center Representatives

If you feel more comfortable learning about government contract opportunities in an in-person environment, seek out your local SBA [Procurement Center Representative (PCR)](http://www.sba.gov/content/procurement-center-representatives). Procurement reps offer training, mentoring, and counseling to aspiring government contractors along with in-person matching events between agencies and qualified small businesses. Here’s how to [find the PCR in your area.](https://www.sba.gov/subcontracting-directory)

### GSA or SBA Mentor-Protege Program

Both the SBA and the Government Services Administration offer mentor-protege programs to help qualified small businesses connect with more experienced government contractors.

While the [SBA Mentor-Protégé Program](https://www.sba.gov/federal-contracting/contracting-assistance-programs/all-small-mentor-protege-program) is open exclusively to participants in the 8(a) development program, you might be eligible to participate in the [GSA Mentor-Protégé Program](http://www.gsa.gov/portal/content/105301) with no additional business development requirements.

There’s no denying the learning curve involved in entering the government contracting space. But as with everything else you’ve taught yourself as a small business owner, procuring government contracts is absolutely a skill that you can learn. Through an investment of time and effort, you can expand your company into the lucrative world of government contracts for small businesses.

## Types of Federal Government Contracts range from firm-fixed price to cost-plus-fixed-fee. Using a wide selection of contract types provides a needed flexibility in acquiring the large variety and volume of supplies and services needed by the Military Services.

### Contract types are grouped into categories:

(1) [Fixed-price contracts:](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Fixed_-_Price_Contracts_)

(2) [Cost-reimbursement contracts](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Cost_Reimbursement_Contracts_)

(3) [Incentive Contracts](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Incentive_Contracts_)

(4) [Indefinite - Delivery Contracts](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Indefinite_-_Delivery_Contracts__)

(5) [Time - And-Materials Contracts](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Time_-_And-Materials_Contracts_)

(6) [Labor - Hour Contracts](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Labor_-_Hour_Contracts_)

(7) [Sealed Bidding](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Sealed_Bidding)

(8) [Negotiation](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Negotiation)

(9) [Defense Logistics Agency (DLA) Reverse Auctions.](http://www.wingovernmentcontracts.com/dla-maritime-online-auctions.html)

**The Armed Services Procurement Act**(**ASPA**), **Federal Property and Administrative Services Act (FPASA)**, and **Competition in Contracting Act**(**CICA)**represent the three statutory foundations of government contract law and the federal acquisition process.  
  
They have established two basic methods of obtaining "full and open competition"

(a) [sealed bidding](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Sealed_Bidding) and

(b) [competitive negotiation](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Negotiation).

#### Fixed - Price Contracts

Fixed-price types of contracts provide for a firm price, or, in appropriate cases, an adjustable price.  Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both.  Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment or the revision of the contract price under stated circumstances.  The contracting officer shall use firm-fixed-price or fixed-price with economic price adjustment contracts when acquiring commercial items.

A firm-fixed-priced contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon contracting parties.

**Firm - Fixed-Price, Level - Of - Effort Term Contract**

The contractor is required to devote a specified level of effort over a stated period of time for a fixed dollar amount. Usually found in the contracts for investigation or study in s specific research and development area.

**Firm - Fixed-Price,  Materials Reimbursement Type Contract**

Used in purchase of repair and overhaul services to provide a firm fixed-price for services with reimbursement for cost of materials used.

**Fixed - Price Contract With Economic Price Adjustment**

Use is appropriate to protect both the Government and the contractor when there is serious doubt about the stability of labor or material prices during the life of the contract. Price adjustment provisions can provide for both upward and downward adjustments.

**Fixed - Price Contracts**

There are several types designed to facilitate proper pricing under varying conditions. Provides for a firm price, or under appropriate circumstances may provide for an adjustable price. Places relatively more cost responsibility on the contractor than on the Government, and makes profit a function of the contractor's ability to manage.

**Fixed - Price Incentive Contracts**

A fixed-price incentive contract is a fixed-price type contract with provisions for adjustment of profit. The final contract price is based on a comparison between the final negotiated total costs and the total target costs.

**Fixed - Price Redetermination**

If prospective, provides for a firm fixed-price for an initial period of contract performance, and for prospective redetermination, upward or downward, at stated times during the performance of the contract. If retroactive; provides for a ceiling price and retroactive price re-determination after completion of the contract.

#### Cost Reimbursement Contracts

Cost-reimbursement type of contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract.  The contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at own risk) without the approval of the contracting officer.

Cost-reimbursement contracts are suitable for use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed price contract.

**Cost-Plus-A-Fixed-Fee (CPFF) Contract**

Contractor's costs responsibility is minimized, Government's cost responsibility is maximized. The contractor is reimbursed for allowable, allocable costs. Contractor's profit is fixed. Price of the contract (total amount paid to the contractor) is not fixed.

**Cost-Plus-Award-Fee (CPAF) Contract**

A cost reimbursement type contract with special fee provisions. It provides a means of applying incentives in contracts which are not susceptible to finite measurements of performance necessary for structuring incentive contracts. The fee is in two parts: a fixed amount unrelated to performance, and an award amount related to a subjective judgment of the quality of the contractor's performance.

**Cost-Reimbursement Type Contract**

There are several types. They provide for the payment to the contractor of allowable costs incurred in the performance of the contract to the extent prescribed in the contract.

#### Incentive Contracts

**Incentive contracts are appropriate when a firm-fixed-price contract is not appropriate and the required supplies or services can be acquired at lower costs, and in certain instances, with improved delivery or technical performance, by relating the amount of profit or fee payable under the contract to the contractor's performance. Incentive contracts are designed to obtain specific acquisition objectives by**

**establishing reasonable and attainable targets that are clearly communicated to the contractor, and**

**including appropriate incentive arrangements designed to**

**motivate contractor efforts that might not otherwise be emphasized, and**

**discourage contractor inefficiency and waste.**

**Cost - Plus - Incentive-Fee (CPIF) Contract**

**This is a cost-reimbursement type contract with provision for a fee that is adjusted by formula in accordance with the relationship which total allowable costs bear to target cost.**

#### [top](http://www.wingovernmentcontracts.com/types-of-government-contracts.htm#Contract_types) I**ndefinite - Delivery Contracts**

There are three types of indefinite - delivery contracts: definite-quantity contracts, requirements contracts, and indefinite-quantity contracts.  The appropriate type of indefinite-delivery contract may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. These are also called delivery order contracts or task order contracts.

**Indefinite - Delivery Type Contract**

There are several types designed for use when the exact time of delivery is not known.

**Indefinite - Quantity Contract**

Provides for furnishing of an indefinite quantity, within stated limits, of specified supplies or services, during a specified contract period, with deliveries to be scheduled by the timely placement of orders upon the contractor.

**Requirements Contract**

An indefinite-delivery type contract that provides for filling all actual purchase requirements of specific supplies or services of designated activities during a specified contract period with deliveries to be scheduled by the timely placement of orders upon the contractor.

#### Time - And-Materials Contracts

A time-and-materials contract may be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.  
  
This type of contract provides no positive profit incentive to the contractor for the cost control or labor efficiency.  
  
Therefore, appropriate Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used.

#### **Labor - Hour Contracts**

A labor-hour contract is a variation of the time-and-materials contract, differing only in that materials are not supplied by the contractor.

#### Negotiated Contracts

By definition, a negotiated procurement is any not sealed bidding procurement that is above the simplified acquisition threshold. Negotiated procurement policies and procedures are found at FAR Part 15.

If one of the four conditions for use of sealed bidding is not present, the Contracting Officer will award the contract using competitive negotiation. Contracting by negotiation allows more flexibility in awarding the contract. Unlike sealed bidding, the**C**ontracting **O**fficer (CO) may engage in discussions with offerors and, in evaluating proposals, he or she may also consider non-cost factors (such as managerial experience, technical approach, and/or past performance).

The negotiating process begins when the Contracting Officer issues a Request for Proposals (RFP).

As in sealed bidding, if the procurement is over $25,000, the Contracting Officer will synopsize a notice of the proposed contract action in the CBD.

***A Request for Proposal must***, at a minimum, state the agency's need, anticipated terms and conditions of the contract, information the contractor must include in the proposal, and factors and significant sub-factors that the agency will consider in evaluating the proposals and awarding the contract. All interested parties may then submit proposals.  
  
Evaluation of the proposals includes an assessment of the proposals' relative qualities, based upon the factors and sub-factors specified in the solicitation.

Typically, theContracting Officer (CO) will evaluate

(a) the offeror's cost or price proposal;

(b) the offeror's past performance on government and commercial contracts;

(c) the offeror's technical approach; and (d) any other identified factors for award. FAR 15.305. During the evaluation period, the CO and source selection team may communicate with the offerors to clarify ambiguous proposed terms. FAR 15.306.

The Contracting Officer may award a negotiated contract without any further negotiations, called "discussions.

However, if the Contracting Officer intends to conduct discussions, he or she will preliminarily identify the offerors that fall within the "competitive range."

The competitive range is comprised of all the most highly rated proposals. FAR 15.306 (c).  
  
To assist in determining the competitive range, the **C**ontracting**O**fficer may engage in limited communications with all offerors.  
After establishing the competitive range, the**C**ontracting**O**fficer will notify each excluded offeror and proceed to conduct "discussions" with the remaining offerors.  
  
According to the FAR, the "primary objective" of discussions is to maximize the agency's ability "to obtain best value, based on the requirement and the evaluation factors set forth in the evaluation." FAR 15.306(d)(2).

During the discussions, the**C**ontracting**O**fficer must indicate to each offeror the significant weaknesses, deficiencies or other aspects of the proposal that could be altered to enhance the proposal's potential for award. FAR 15.306(d)(3).

**TheContracting Officer must not**

(1) engage in conduct that favors one offeror over another;

(2) reveal an offeror's technical solution;

(3) reveal an offeror's price without permission;

(4) disclose the names of persons providing information about the offeror's past performance; or

(5) furnish sensitive source selection information. FAR 15.306(e)

After discussions begin, the**C**ontracting **O**fficer may eliminate from consideration any offeror originally in the competitive range but no longer considered among the most highly rated offerors.

Further, the**C**ontracting**O**fficer may request that offerors revise their proposals to clarify any compromises reached during negotiation.

At the conclusion of the discussions, the**C**ontracting**O**fficer will request a final proposal revision from each offeror still in the competitive range.  
  
Finally, the**C**ontracting**O**fficer will undertake a comparative analysis of the final offers in accordance with the evaluation procedures set forth in the RFP, and select the offeror whose proposal is most advantageous to the Government.

The documented award decision should contain an analysis of the trade-offs accomplished by negotiations and the reasons why the awardee's proposal represents the best value to the agency.

The**C**ontracting **O**fficer always has the discretion not to award any contract if he or she deems that course to be in the Government's best interests.

If requested by an unsuccessful offeror, the **C**ontracting **O**fficer will conduct a post-award debriefing during which the bases for the selection decision will be explained.

#### Sealed Bidding

Sealed bidding is characterized by a rigid adherence to formal procedures. Those procedures aim to provide all bidders an opportunity to compete for the contract on an equal footing. In a sealed bidding acquisition, the agency must award to the responsible bidder who submits the lowest responsive bid (price).

In contrast, competitive negotiation is a more flexible process that enables the agency to conduct discussions, evaluate offers, and award the contract using price and other factors.

Once a federal agency identifies a need, and decides to proceed with an acquisition, it must solicit sealed bids if:

(1) time permits the solicitation, submission and evaluation of sealed bids;

(2) the award will be made on the basis of price and other price-related factors;

(3) it is not necessary to conduct discussions with the responding offerors about their bids;

(4) and there is a reasonable expectation of receiving more than one sealed bid. FAR 6.401

The agency's Contracting Officer (CO) initiates a sealed bidding acquisition by issuance of an Invitation for Bids (IFB). The IFB must describe the Government's requirements clearly, accurately and completely. The FAR and case law prohibit the use of unnecessarily restrictive specifications that might unduly limit the number of bidders.  
The agency publicizes the IFB through display in a public place, announcement in newspapers or trade journals, publication in the federal government's Commerce Business Daily (CBD), and by mailing the IFB to those commercial organizations (contractors) on the agency's solicitation mailing list. FAR 14.204; FAR 14.205.  
  
It is critical that contractors submit their bids by the deadline stated in the IFB. A late bid will not be considered for award except where:

(1) the bid was sent to the CO by registered or certified mail at least five days before the bid receipt date;

(2) the Government mishandled the bid after receipt;

(3) the bid was sent to the CO by "Postal Service Next Day Service" two days prior to the bid receipt date; or

(4) the bid was transmitted electronically and received by 5:00 p.m. one working day prior to the bid receipt date. FAR 14.304-1 (a).

All bids received by the time and at the place set for opening are publicly opened and read aloud by the CO. The bids are then recorded on an "Abstract of Offers" (Standard Form 1049) and examined for mistakes. If no mistakes are found, after certain other administrative steps, the CO awards the contract to that responsible bidder who submitted the lowest responsive bid.

A responsive bid is one that contains a definite, unqualified offer to meet the material terms of the IFB. FAR 14.301(a). Conditions, informalities, or defects in the bid that affect the price, quantity, quality, or delivery of the items being acquired by the agency will result in rejection of the bid.

The FAR also requires an affirmative finding of responsibility prior to awarding the contract to the lowest bidder. FAR 14.408-2. To be determined responsible, the prospective awardee must have the ability and capacity to perform the contract. More specifically, the FAR requires a prospective contractor to (1) have adequate financial resources to perform the contract; (2) be able to comply with the required or proposed delivery or and facilities; and (7) be otherwise qualified and eligible to receive an award under applicable laws and regulations. FAR 9.104-1.