



Basic Contracting Terminology

Entering the world of Government contracting, while an important step for growing your organization, includes a large amount of Government-specific contracting terminology. Below is a list of standard Government contracting terminology to equip your organization with the tools necessary to conduct business with the federal Government:

Full and Open Competition: A term indicating that all responsible sources are permitted to compete, including large businesses. The Government utilizes full and open competition in order to obtain the best price and the best product or service.

Pre-solicitation: A notice regarding a contract opportunity that will open for proposals in the future. This allows the government to determine contractor interest and capability of work to be performed.

Sources Sought Notice: A synopsis posted by a Government agency that states they are seeking possible sources for a project. It is not a solicitation for work, nor is it a request for proposal. The Government uses sources sought notices to identify small businesses when determining whether to establish a set-aside acquisition

Small Business Set-Aside: The Government uses this term to reserve an acquisition exclusively for participation by Small Business Concerns (SBCs). A small business set-aside may be open to **all** small businesses.

Broad Agency Announcements (BAAs): A BAA announces an agency's research interests including criteria for selecting proposals and soliciting the participation of all offerors capable of satisfying the Government's needs. A BAA focuses on Research and Development (R&D) and provides a general statement of the Government's problem/research area of interest.

Special Notices: These notices provide information about Industry Days, other events, and information that, while not captured in one of the other funding announcements, may be relevant to a given opportunity.

Request for Information (RFI): An RFI is used when a Government agency does not presently intend to award a contract, but wants to obtain price, delivery, other market information or capabilities for planning purposes. Responses to these notices are not offers and cannot be accepted by the Government to form a binding contract. RFIs represent an opportunity to describe your company's capabilities to the Government.

Requests for Proposals (RFPs): An RFP is used in negotiated acquisitions to communicate government requirements to prospective contractors and to solicit proposals. Important things to look for: closing date, contact point or Contracting Officer, description, size of award, place of contact performance, and set-aside status. An RFP focuses on a specific product or service, and the Government provides a common Statement of Work (SOW) to which all vendors propose.

Requests for Quotes (RFQs): An RFQ is a solicitation that provides in exacting detail a list or description of all relevant parameters of the requirement. RFQs are best suited to commercial products and services.

Other Transaction Agreement (OTA): OTA is a special vehicle used by Government agencies for obtaining or advancing research and development (R&D) or prototypes. An OTA is **not** a contract, grant, or cooperative agreement. Only those agencies that with OT authority may engage in Other Transactions.

Cooperative Research and Development Agreement (CRADA): A CRADA is a legal agreement between a Government laboratory and a business or academia to work together on a Research and Development (R&D) project. A CRADA allows the Government and non-Government partners to optimize their resources, share technical expertise in a protected environment, share intellectual property emerging from the effort, and speed the commercialization of federally developed technology.

Additional information can be found through the Small Business Administration (<https://www.sba.gov/federal-contracting>) and The Defense Acquisition University (<http://www.dau.edu/>) which provide helpful tools and information to include acquisition, technology, and logistics.