



Course Glossary

Buyer Contracts Course

Overview

The Buyer Contracts Course provides critical resources that support learners' success both inside the virtual classroom and in their day-to-day work as new Buyers. At the completion of each module in the Buyer Contracts Course, learners are provided with a list of Key Terminology. This document provides a glossary of Key Terminology learned throughout the course.

GLOSSARY

Acquisition: Acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.

Acquisition Strategy: Describes the overall approach for acquiring capabilities needed to fulfill investment and programmatic activities.

Acquisition Plan (AP): Document developed by the acquisition planning team that addresses the strategic and tactical details of how an acquisition will be executed and creates a structure for the pre-award process.

Administrative Management Budget Information System (AMBIS): Desktop-based system for filing purchasing requests that are further processed and entered into the NIH DelPro system. This system is only used by NIAID.

Administratively-complete Contract: Contract in which all administrative activities have been accomplished, releases executed, and final payment made.

Advance Procurement Plan (APP): Acquisition planning document that can be created in PRISM by the Government; enables program and procurement officials to identify necessary resources and schedule procurement requirements.

Award: The provision of funds by the NIH based on a solicitation and offer; a mutually binding agreement between the NIH and an organizational entity or individual to provide supplies or services.

Bilateral Modification: Modification action agreed to and signed by both the Contracting Officer and vendor.



Contract: A mutually binding legal relationship obligating the “seller” (Contractor) to furnish supplies or services and the “buyer” (Government) to pay for them. The supplies or services are being acquired for the direct benefit of the Government. Also known as an “award.”

Cost Reimbursement Contract: Contract type used when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use a fixed-price contract. Cost Reimbursement contracts are routinely used to procure biomedical Research and Development at the NIH. A cost-reimbursement contract may take one of two basic forms—completion or term. See *FAR Subpart 16.3*.

Deobligation: A release of funds from a committed contract/line item, which sometimes makes the funds available to be used elsewhere. Deobligation can be conducted as part of contract closeout, addressing expiring lines, or in any other situation where funds are no longer needed for a contract.

Distribution: Instance where funds are furnished against a contract or line item.

FedBizOpps.gov: Federal Business Opportunities website used by the Government to communicate with potential offerors and request necessary goods and services.

Fixed-Price Contract: Contract type used to acquire goods or services based on reasonably definite specifications for a price that is generally not subject to any adjustment on the basis of the contractor’s cost experience in performing the contract. See *FAR Subpart 16.2*.

Indefinite-Delivery Contract: Contract type 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. There are three types of Indefinite-Delivery contracts: Definite-Quantity contracts, Requirements contracts, and Indefinite-Quantity contracts. See *FAR Subpart 16.5*.

Invitation for Bids (IFB): Acquisition tool used to procure high-cost items with easily definable characteristics. Typically used when the requirement is definitive, pricing is stable, competition is expected, and there is no need to hold discussions with potential bidders.

Invoice: A contractor’s bill or written request for payment for supplies delivered or services performed under the contract. In validating the invoice for payment, the Government may compare the invoice against the contract (“two-way matching”) or against the contract and a receiving notification (“three-way matching”).

Labor-Hour Contract: Contract type that is a variation of the time-and-materials contract, differing only in that materials are not supplied by the contractor. See *FAR Subpart 16.602*.

Letter Contract: Contract type that is a written preliminary contractual instrument that authorizes the contractor to begin immediately manufacturing supplies or performing services. A letter contract may be used in extraordinary circumstances when the government’s interests demand that the contractor be given a binding commitment, so that work can start immediately, and negotiating a definitive contract is not possible in sufficient time to meet the requirement. See *FAR Subpart 16.603*.

Milestone Plan: Acquisition planning document that can be created in PRISM to document key milestones in the acquisition planning process.



Modification: Any written alteration in the specification, delivery point, rate of delivery, contract period, price, quantity, or other contract provision of an existing contract.

Office of Acquisition (OA): NIH office that conducts procurement and acquisition activities on an Institute/Center level. Some larger Offices of Acquisition can act as a delegate for smaller ICs and have the authority to create and manage awards on behalf of smaller ICs.

Option: A unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the term of the contract.

Oral Request for Proposal: Expedited solicitation strategy used in situations of unusual or compelling urgency where processing a solicitation would cause the Government hardship if the supplies/services were delayed.

Performance Work Statement (PWS): A statement of work for performance-based acquisitions that describes the required results in clear, specific, and objective terms with measurable outcomes.

Performance-based Contract: Contract type where the requirements are described by either a performance work statement or a statement of objectives. Performance-based contracts are used to ensure that contractors meet quality levels; payment relates to the degree that contract standards (i.e., in terms of quality, timeliness, quality, etc.) are met. These standards are measured through the use of quality assurance surveillance plans. *See FAR Subpart 37.6.*

Physically-complete Contract: Contract in which all goods have been delivered and inspected, services have been rendered and accepted, and all option years have expired; or in which the Government has given the vendor notice of complete contract termination.

Pre-solicitation/Solicitation: Solicitation document prepared by the Government that summarize an intent to post a solicitation or a sole-source bid, which must be posted prior to any solicitation to alert potential offerors and vendors.

PRISM: A commercial, off-the-shelf software solution, developed by CompuSearch, for procurement information management. At the NIH, PRISM is housed within the NIH Business System (NBS) and facilitates contract creation and administration.

PRISM Contract Closeout: Process in PRISM that changes the status of a contract document from “Released” to “Closed” and closes document to further changes.

Purchasing Online Tracking System (POTS): System for submitting, approving, and tracking electronic purchase requests based on NIH internal paper requisition of 1861 form; used by 24 ICs.

Requester: Individual who completes and submits the purchase request for supplies, services, or equipment to the Ordering Official for processing. Also referred to as an “end user.”

Request for Information (RFI): Specific type of Sources Sought notification prepared by the Government and posted to FedBizzOpps.com. Can be conducted to determine if capable sources exist or to better understand the timeline or cost requirement.



Request for Proposal (RFP): Solicitation document prepared by the Government and used to procure goods or services where multiple factors are considered, including price; includes information necessary to enable prospective offerors to prepare proposals.

Request for Quotation (RFQ): Acquisition document prepared by the Government and used to request from potential offerors a negotiable quotation that details services and costs for a proposed good or service.

Requisition: Acquisition document prepared by the Government that is an authorized request for the purchase of goods or services on behalf of the Government.

Requisitioner: Acquisition officer who creates and releases the requisition.

SF-26: Standard Form cover page used when creating a contract.

SF-30: Standard Form cover page used to report contract modifications.

SF-33: Standard Form cover page used when creating solicitation.

Solicitation: See *“Pre-solicitation/Solicitation.”*

Sources Sought Notification: Solicitation document prepared by the government and posted to FedBizOpps.gov to gather information during the acquisition planning process; may be used to conduct market research and request information from potential offerors with no obligation.

Statement of Objectives (SOO): Solicitation document prepared by the Government that describes the purpose, scope or mission, period and place of performance, background, performance objectives, and any operating constraints of the Government’s need. Offerors use the SOO provided by the government to develop the Performance Work Statement (PWS) in their proposal.

Statement of Work (SOW): Document prepared by the Government during the solicitation process that describes work to be performed rather than the end result to be obtained. It describes precisely and in sufficient detail the work expected in achieving the end objective. (See FAR Subpart 37.6)

Time-and-materials Contract: Contract type that provides for acquiring 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 actual cost for materials. The ceiling of the time-and-materials contract should fully funded. Approval from the Head of contracting Administration is required for time-and-materials contracts. See *FAR Subpart 16.601*.

Two-/Three-way Match: See *“Invoice.”*

Unilateral Modification: Modification action signed only by the Contracting Officer and generally used to make administrative changes where the vendor’s signature is not required.