

FAR Companion

Version 1.0



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Version Change Log

Version	Date	Release Type	Key Changes
1.0	09/09/2025	Major	Initial release of FAR Companion (FC) parts 1, 4, 5, 6, 8, 9, 10, 11, 12, 18, 26, 28, 29, 31, 33, 34, 35, 36, 38, 39, 40, 43, 46, 49, 50, and 51.

About the FAR Companion

The Federal Acquisition Regulatory Council (FAR Council) is restoring common sense to Federal buying by eliminating rules from the Federal Acquisition Regulation (FAR) that are neither statutory nor essential to sound procurement. This management action, which is directed by Executive Order 14275 and OMB Memorandum M-25-26, is expected to result in the removal of well over 1,000 mandates from the FAR, allowing buyers to use their business judgment to determine *when* many government-wide procurement policies and practices are suitable and *how* they are best implemented.

The FAR Council has developed this FAR Companion to help acquisition officials exercise their discretion. The FAR Companion provides context, additional information, and practical advice for planning, awarding, managing, and closing out contracts, consistent with the FAR's core buying principles.

The FAR Companion is designed to enhance the efficiency and effectiveness of federal buying by:

- consolidating practitioner insights in one place from a variety of helpful sources -- such as innovation and vendor engagement strategies, handbooks, training materials, and management memoranda – saving buyers time in finding and leveraging best practices;
- preserving a number of policies and “how to” procedures formerly mandated in the pre-streamlined FAR that continue to reflect good stewardship but are more appropriately applied with discretion as part of problem-solving and are not a “one-size-fits-all” mandate;
- building the confidence of the acquisition workforce to take managed risks, by providing advice – not direction – and avoiding compliance requirements that create a fear of protests; and
- creating an agile and efficient government-wide resource to highlight and evolve proven acquisition practices and reduce the amount of guidance needed from agencies.

Chief Acquisition Officers (CAOs) and senior procurement executives (SPEs) should ensure the acquisition workforce becomes familiar with the FAR Companion and understands the FAR Companion is non-regulatory, contains no mandates, and is not intended to serve as the basis for protests or legal action.

Federal Acquisition Regulation (FAR) Companion



Members of the acquisition workforce and other acquisition stakeholders are strongly encouraged to work with their CAOs, SPEs, Heads of Contracting Activities, and acquisition innovation advocates to recommend improvements to the FAR Companion, with particular emphasis on agency developed best-practices that may be suitable for sharing more broadly across the government. OFPP will work with agencies to reduce the proliferation of disparate agency-level guidance and tools that duplicate coverage in the FAR Companion.

The FAR Companion will work in concert with the FAR, agency supplements and the Category Management Buying Guide (which will highlight sector-specific buying tips for navigating government-wide contracts) as the foundation for the new Strategic Acquisition Guidance framework. These resources – along with Practitioner Albums (tested learning tools for getting better contract outcomes), continued investment in workforce development, coaching support, collaborative learning experiences, and technology-enabled tools – will ease the transition from rigid compliance to judgment-based procurement practices and enable mission success through more timely, less costly, and more competitive buying that modern federal acquisition demands.

FAR Companion Purpose

This FAR Companion, structured to complement the streamlined FAR, implements FAR 1.101(a)(3) to share best practices that empower acquisition professionals to:

- maximize the flexibilities of the FAR,
- apply sound judgment,
- balance risk, and
- effectively and efficiently deliver the mission.

The FAR Companion, which will evolve, is intended to share the foundation of discretionary practice that complements the FAR.

Novel approaches and innovative applications that comply with the FAR, even if not specifically referenced in the FAR Companion, are permissible and encouraged. Acquisition professionals are encouraged to share their tested practices and new approaches by contacting SAGTesting@gsa.gov or submitting them to the [Periodic Table of Acquisition Innovations \(PTAI\)](#). The PTAI is a centralized repository of agency tested strategies and novel practices with artifacts for acquisition teams to use and exercise sound business judgment. The tool is designed to increase workforce and industry awareness of business techniques to encourage further testing, adoption, and adaption consistent with the FAR, applicable law, and agency policy.

Disclaimer

The FAR Companion constitutes guidance and commentary intended to assist practitioners in understanding the FAR and related procurement principles. This guide does not constitute mandatory compliance requirements. Adherence or non-adherence to the advice, instructions, explanations, or interpretations provided within the guide is not intended to carry legal authority nor intended to serve as the basis for protests or legal actions. Consistent with FAR part



1.102(a)(7), the contracting officer must have the authority, to the maximum extent practicable and consistent with law, to determine how and when to apply rules, regulations, and policies on a specific contract.

How to Navigate the FAR Companion

Organization Structure

The FAR Companion mirrors the structure of the Federal Acquisition Regulation (FAR) to make finding guidance intuitive and straightforward.

1. FAR Companion Parts Match the FAR

- Each FAR Companion part corresponds directly to a FAR part.
- This parallel structure helps you quickly locate relevant guidance.

2. Annotations Within Each Part

- Each FAR Companion part contains annotations that provide:
 - Key principles.
 - Proven practices.
 - Explanatory material.
 - Implementation guidance.

3. Citation System

- Each FAR Companion annotation has a numbered citation (e.g., FC12.3, FC31.204) that matches the FAR citation (e.g., part, subpart, section, subsection).
- The FAR Companion citation tells you which FAR citation the annotation supports.
- Multiple FAR Companion annotations may reference the same FAR citation.
- *FCXX.000* citations apply to the entire FAR part. Think of these annotations as big-picture guidance for the whole FAR part.

Quick Navigation Tips

1. **Know your FAR reference:** Start with the section of the FAR you're working with.
 2. **Find the matching FAR Companion citation(s):** Look for the same citation(s) in the FAR Companion (FC).
 3. **Check for *FCXX.000* guidance first:** Review any overarching guidance for context.
 4. **Look for specific guidance:** Find annotations with citations matching your FAR section.
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Part 1 - Federal Acquisition Regulations System

FC1.000 Gathering feedback to improve procurement outcomes.

Collecting voluntary feedback on the acquisition process supports continuous learning, better results, and improved outcomes over time. Just as important is sharing what's been learned to improve processes across the Federal acquisition workforce. Agencies should gather feedback on the acquisition process of their procurements to help identify what went well and where improvements are needed. This feedback may be obtained using approaches including, but not limited to surveys (e.g., [Acquisition360](#)), team retrospectives, and conversations with offerors and contractors. The information can be used by the acquisition team, the agency, or governmentwide, as appropriate, to enhance the acquisition system.

FC1.102(a)(6) Communicating with industry.

The Federal acquisition workforce is permitted and encouraged to engage in responsible and constructive exchanges with industry throughout the acquisition lifecycle, consistent with existing laws and regulations. Fairness and impartiality guide our interactions with offerors and contractors, recognizing that fairness does not necessarily mean identical treatment.

Part 4 - Administration and Information Matters

FC4.101 Contents of contract files.

Contract files serve as the official repository for all documents related to an acquisition, ensuring regulatory compliance, supporting audit requirements and providing a complete administration record of acquisition activities from presolicitation through contract closeout. Contract files should be complete yet tailored to the specific acquisition. Each office with responsibilities for a contract should establish procedures to ensure timely filing of required documents and maintain appropriate cross-references between files when documents are maintained in different locations (e.g., different shared drives or electronic contract filing systems).

The contracting office maintains the most comprehensive file, containing all documents related to the acquisition decision-making process and contract award. This file serves as the primary record of the government's acquisition actions and rationale.

Example documentation that may be included in the contract file, as appropriate:

1. Purchase request, acquisition planning information, and other presolicitation documents
2. Justifications and approvals, determinations and findings, and associated documents
3. Evidence of availability of funds
4. Copy of or reference to posting notice of proposed acquisition
5. The list of sources solicited, and a list of any firms or persons whose requests for copies of the solicitation were denied, together with the reasons for denial
6. Set-aside decision including the type and extent of market research conducted
7. Government estimate of contract price
8. A copy of the solicitation and all amendments
9. Security requirements and evidence of required clearances



10. A copy of each offer or quotation and records of determinations concerning late offers or quotations. Unsuccessful offers or quotations may be maintained separately if cross-referenced to the contract file. The only portions of the unsuccessful offer or quotation that should be maintained are the completed solicitation (e.g., sections A, B, K and any other part the offeror or quoter has altered or annotated), technical and management proposals, and cost/price proposals.
11. Preaward survey reports or reference to previous preaward survey reports relied upon
12. Source selection or evaluation documentation
13. Contracting officer's determination of the contractor's responsibility
14. Small Business Administration Certificate of Competency
15. Records of contractor's compliance with labor policies including equal employment opportunity policies
16. Data and information related to the contracting officer's determination of a fair and reasonable price
17. Packaging and transportation data
18. Cost or price analysis
19. Audit reports or reasons for waiver
20. Record of negotiation
21. Justification for type of contract
22. Authority for deviations from regulation, statutory requirements, or other restrictions
23. Required approvals of award
24. Notice of award
25. The original signed contract or award, all contract modifications, and supporting documents
26. Copy of or reference to posting notice of award
27. Notice to unsuccessful quoters or offerors and record of any debriefing
28. Acquisition management reports
29. Bid, performance, payment, or other bond documents, or a reference thereto, and notices to sureties
30. Postaward conference documentation
31. Notice to proceed, stop orders, and any overtime premium approvals granted at the time of award
32. Documents requesting and authorizing modification in the normal assignment of contract administration functions and responsibility
33. Approvals or disapprovals of requests for waivers or deviations from contract requirements
34. Rejected engineering change proposals
35. Royalty, invention, and copyright reports or reference thereto
36. Contract completion documents
37. Documentation regarding termination actions for which the contracting office is responsible
38. Any additional documents on which action was taken or that reflect actions by the contracting office pertinent to the contract
39. A current chronological list identifying the awarding and successor contracting officers, with inclusive dates of responsibility



40. When limiting competition or awarding on a sole source basis to small business concerns, documentation of the type and extent of market research and that the NAICS code assigned to the acquisition is for an industry that SBA has designated

The contract administration office maintains records focused on postaward contract management and performance oversight. This file supports the day-to-day administration of the contract after award. Cross-reference to documents that are located elsewhere in the contract file rather than duplication of documentation is appropriate.

Example documentation that may be included in the contract administration file or contract administration section of the contract file, as appropriate:

1. Copy of the contract and all modifications, together with official record copies of supporting documents executed by the contract administration office
2. Any document modifying the normal assignment of contract administration functions and responsibility
3. Security requirements
4. Certified cost or pricing data, Certificates of Current Cost or Pricing Data, or data other than certified cost or pricing data; cost or price analysis; and other documentation supporting contractual actions executed by the contract administration office
5. Preaward survey information
6. Purchasing system information
7. Consent to subcontract or purchase
8. Performance and payment bonds and surety information
9. Postaward conference records
10. Orders issued under the contract
11. Notice to proceed and stop orders
12. Insurance policies or certificates of insurance or references to them
13. Documents supporting advance or progress payments
14. Progressing, expediting, and production surveillance records
15. Quality assurance records
16. Property administration records
17. Documentation regarding termination actions for which the contract administration office is responsible
18. Any additional documents on which action was taken or that reflect actions by the contract administration office pertinent to the contract
19. Contract completion documents

The paying office maintains a focused file containing documents necessary for processing payments and maintaining financial records related to the contract. Cross-reference to documents that are located elsewhere in the contract file rather than duplication of documentation is appropriate.

Example documentation that may be included in the payments and financial records file or payments and financial records section of the contract file, as appropriate:

1. Copy of the contract and any modifications



2. Bills, invoices, vouchers, and supporting documents
3. Record of payments or receipts
4. Other pertinent documents

FC4.301(b) Contract reporting in centralized assisted acquisitions.

Agencies awarding assisted acquisitions handle required contract reporting, including appropriately allocating small-business goals credited among the multiple requesting agencies when requirements are combined on a single contract or order using demand aggregation method.

FC4.308 Low-risk contract closeout.

A large contract closeout backlog not only poses a significant burden to various acquisition and financial systems but also impedes an agency's ability to effectively manage its annual financial statement audit.

The quick-closeout procedure in FAR 42.507 provides relief for certain cost-type contracts involving indirect rates, but not for other contract types. To supplement this, at least one agency has promulgated rules to use low-risk closeout procedures for specific types of expired contracts to streamline the closeout process, reducing the backlog of open contracts with unliquidated funds or undelivered orders.

Key aspects of low-risk closeout procedures included:

- **Risk Assessment:** Identifying low-risk contracts based on specific criteria, including contract type, expiration date, and lack of recent payment activity.
- **Public Posting:** Publishing a Federal Register, [SAM.GOV](https://sam.gov), or similar notice that asks contractors with specific contracts to submit any outstanding invoices to the cognizant contracting activities within 60 days after that notice was published.
- **No Change in Contractor Rights:** Despite the expedited process, contractors' rights were preserved under the Contract Disputes Act of 1978, allowing them to file claims.
- **Standard File Retention:** Normal contract file retention requirements applied after the low-risk closeout process, following FAR guidelines.

Part 5 - Publicizing Contract Actions

FC5.000 Plain language.

When crafting solicitations and notices, prioritize clarity and simplicity by embracing plain language writing principles. Avoid overly technical jargon, complex sentence structures, and acronyms that are not widely understood.

The goal is to make it easy for businesses to determine whether they can do the work. Plain language is not merely about simplifying content—it is about making your message understandable upon first reading.

FC5.000 Actively engage throughout the process.

Acquisition work need not stop during mandatory notice posting periods, or when you have



issued special notices to obtain more targeted feedback from industry. You can maintain momentum by connecting with internal teams and external partners to manage expectations, refine procurement documentation, address concerns, and ensure alignment on process, next steps, and goals.

Draft documents can be issued to industry at any time up until the publication of the final solicitation. For example, prior to the issuance of the solicitation or combined notice and solicitation, the agency may issue a sources sought notice, a draft requirements document, or an industry day announcement.

This proactive approach refines solicitations, addresses potential issues that may impact a potential offeror's bid or no bid decision, attracts higher-quality proposals, and fosters a collaborative competitive environment that balances commercial industry practices with government requirements.

FC5.000 Expanding reach beyond the GPE.

While SAM.gov serves as the required central platform for posting most federal notices and contract opportunities, acquisition teams can supplement their GPE postings by using other digital channels. These might include industry-specific websites and relevant social media platforms to amplify the opportunity and attract a wider pool of qualified vendors. These steps can be critical to expanding the current federal marketplace. When using extra channels, it is a good practice to include a direct link to the official SAM.gov notice so vendors can access authoritative documentation and complete opportunity details.

FC5.000 Modern digital engagement methods.

Acquisition teams have access to various digital platforms beyond the traditional posting methods. Interactive online portals allow users to view notices, apply filters, subscribe to alerts, and engage through comments or question-and-answer features.

Examples include specialized platforms like these:

- U.S. Special Operations Command (SOCOM) Vulcan platform (www.vulcan-sof.com),
- Defense Advanced Research Project's (DARPA) Connect platform (www.darpa.mil), and
- The Office of the Chief Digital and Artificial Intelligence Officer's Tradewinds Solutions Marketplace (tradewindai.com).

Social media channels can reach targeted industry segments quickly, particularly benefiting small businesses and technology providers. Mobile apps can deliver real-time notifications of notices or opportunities directly to potential vendors' devices.

FC5.101 Using the Governmentwide Point of Entry (GPE) for market intelligence.

SAM.gov and other portals can serve as valuable tools for soliciting feedback and gathering information during market research, market intelligence, and acquisition planning activities.

SAM.gov notices are not limited to contracting opportunities—acquisition teams can leverage notices to request feedback, engage potential offerors, and pose questions to inform requirements development. Be specific in your GPE notices. For instance, if you are looking for specific information such as incentives, quality metrics or other information, state this clearly in



your notice. It is important to promptly amend notices when the government's schedule changes, so that contractors can plan accordingly.

These efforts can be supplemented with creative tools such as virtual industry days, online forms to collect information easier, and industry-focused webinars or forums. These diverse feedback mechanisms support deeper understanding of marketplace capabilities, emerging technologies, pricing trends, and potential sources, leading to more informed acquisition decisions and better outcomes.

FC5.101 Crafting effective presolicitation notices.

Develop presolicitation notices that are both informative and efficient by focusing on what vendors need to know to determine if the contract action is relevant to them.

Prioritize clear and concise communication, including only necessary details while avoiding lengthy descriptions or redundant information. Link to attachments or government websites for comprehensive specifications rather than including that information in the presolicitation notice itself. Include applicable NAICS codes, dates, contracting office zip code, product or service codes, subject matter, proposed solicitation number when available, contact information, requirement description, place of performance, set-aside status, and special considerations such as compliance with 41 USC Ch. 83 - Buy American requirements.

For product-specific acquisitions, include the following key specifications:

- National Stock Number (NSN), if assigned
- qualification requirements
- manufacturer
- part number
- size and dimensions
- predominant material
- quantity and unit of issue
- destination
- delivery schedule
- planned contract duration

FC5.101(d) and FC 5.201(d) Response time considerations.

Response periods should balance acquisition complexity, minimum regulatory posting requirements, the commercial nature of the acquisition, and urgency to ensure timely publication and reasonable opportunity for offerors to respond. Response times to notices are generally calculated from the publication date on the GPE unless otherwise specified in the notice.

While the goal is to provide reasonable response times, certain circumstances, such as acquiring commercial products and services, may allow for shortened response times through the use of combined presolicitation notice and solicitation posting procedures or other expedited methods.

Conversely, other factors may require longer response times. Always verify minimum posting periods based on regulatory requirements when applicable. Consider factors that may impact response times. For instance, submittals of sensitive information or intellectual property,



confidential, or proprietary information may require offerors to obtain additional corporate approvals, necessitating longer response times.

FC5.102 Digital media over paid advertisements.

While statutes may refer to paid advertisements in newspapers or trade publications, these approaches are generally less effective and more expensive in today's digital landscape.

Acquisition teams should prioritize digital and online mediums since they reach wider audiences, cost less than paid advertisements, allow for more detailed information and interaction, and are easier to measure for effectiveness.

Only consider paid advertisements when there is a compelling reason, such as demonstrated lack of digital access within the specific vendor community being targeted, and after thoroughly exploring other methods.

Part 6 - Competition Requirements

FC6.103(b)(1) Use planning to optimize competition and innovation.

Early acquisition planning creates opportunities to structure your approach for maximum competition and innovation and may reduce the need to use FAR part 6 exceptions to competition.

With proper planning, you can break large requirements into smaller, more competitive packages; explore commercial solutions before developing custom requirements; and design evaluation criteria that reward innovative approaches.

Identify and address potential barriers to competition, whether they stem from current contractor advantages, unique requirements, or market limitations.

When you start planning early, you have time to develop multiple qualified sources, standardize requirements to enable broader competition, and work with industry to build capabilities before you need them. This proactive approach to acquisition planning often results in better solutions, lower costs, and a more robust vendor base for future requirements.

Some competition exceptions may still be necessary due to legitimate market limitations or unique requirements. Thoughtful planning helps ensure that when you do use exceptions to competition, it's based on genuine market conditions rather than poor planning and shows you considered the long-term impacts or risks presented by limiting competition. When using exception authorities, consider the implications for future competition requirements.

FC6.104 Preparing a strong Justification and Approval (J&A).

The J&A should tell a clear story about why this particular approach serves the government's interests, what alternatives you considered, and why they won't work. Focus on the mission impact and practical realities rather than merely providing legal citations. A compelling narrative that demonstrates genuine market analysis and thoughtful decision-making will persuade approving officials and be more readily defended if challenged.



A J&A isn't just a compliance document—it's your opportunity to show your sound acquisition planning and stewardship of taxpayer dollars. Therefore, treat your market research as the cornerstone of your justification, not an afterthought.

Market research under FAR 6.104-1(a)(8) should explore not just who can provide what you need, but how the market actually works, what drives pricing and innovation, and what barriers exist to broader competition.

When you conclude that only one source can meet your needs, your market research should clearly show why others cannot—whether due to technical capabilities, experience requirements, timeline constraints, or other legitimate factors. If you invest time and effort into understanding the marketplace, what you learn will make the rest of your justification more convincing to your audience, as well as easier to write.

FC6.104-1 Match J&A authority to reality.

Misaligned authorities create approval delays and undermine your justification. Always choose the legal exception authority based on the actual circumstances driving your acquisition.

Part 8 - Required Sources of Supplies and Services

FC8.103 Excess personal property.

When practical, agencies should use excess personal property as the first source of supply for both agency and cost-reimbursement contractor requirements. Agency personnel have an affirmative obligation to make positive efforts to satisfy requirements by obtaining and using excess personal property before initiating contract actions, including property that may be suitable for adaptation or substitution to meet specific requirements. This priority ensures maximum utilization of government assets while reducing procurement costs and waste.

Information regarding available excess personal property can be obtained through the [GSA Office of Personal Property](#) which provides a comprehensive online platform called Personal Property Management System (PPMS) for reviewing and requesting available excess property from across the federal government. Additionally, agencies can make direct contact with GSA or the specific activity holding the property to inquire about availability and condition. For supplies that are excepted from reporting as excess under the Federal Management Regulations (41 CFR 102-36.220), GSA will assist agencies in meeting their requirements through direct coordination with the appropriate GSA Personal Property Management office. [Contact information for these offices](#) is available on the GSA website, enabling agencies to access nonreportable property that may not appear in standard excess property databases but could still meet their operational needs.

FC8.103 Federal Prison Industries (also referred to as UNICOR) and AbilityOne Program.

For UNICOR acquisitions, contracting officers follow specific federal ordering procedures that govern the procurement process for products and services manufactured in or provided by federal correctional institutions. Information about the UNICOR program, ordering procedures, and available product catalogs, are accessible at [UNICOR.gov](#). The ordering process includes



coordination requirements with UNICOR representatives and specific timeframes for product delivery that contracting officers consider when planning their acquisitions.

For AbilityOne acquisitions, contracting officers may coordinate with their agency's designated AbilityOne Representative and the Commission's AbilityOne Program Manager for products or services that may be available through the AbilityOne Program. This coordination ensures proper compliance with mandatory source requirements while leveraging the expertise of designated officials who maintain current knowledge of available offerings and procurement procedures. Agency AbilityOne Representatives serve as the primary liaison between contracting activities and the Committee for Purchase From People Who Are Blind or Severely Disabled (operating as the U.S. AbilityOne Commission), providing guidance on product availability, pricing, and ordering procedures.

The AbilityOne Procurement List identifies all products and services that participating nonprofit agencies are authorized to provide to the federal government under mandatory source procurement requirements. Contracting officers should consult the current Procurement List at [ABILITYONE.gov](https://www.abilityone.gov) (Procurement List is available under Quick Links on main page). Additionally, GSA maintains a comprehensive website at [GSA AbilityOne Partnership](https://www.gsa.gov/AbilityOnePartnership) that provides detailed information about available AbilityOne products and services, including specifications, pricing, and ordering instructions.

FC8.104 Use of existing contracts and maximizing commercial buys.

The U.S. federal government leverages its position as the world's largest buyer of goods and services by embracing a common governmentwide approach when procuring through Federal Supply Schedule contracts, governmentwide acquisition contracts, or other indefinite-delivery, indefinite-quantity contracts established through category management. The benefits of category management are best realized by maximizing centralized ordering of common spend and recognizing the efficiency and cost benefits of leveraging previously negotiated terms and conditions.

Agencies should also consider [shared services solutions](#) to fulfill their requirements, particularly when these solutions can provide business or mission functions more efficiently than independent procurement actions.

This category management approach aligns with the broader governmentwide strategy of consolidating purchasing power and standardizing procurement approaches to achieve better pricing, improved service delivery, and reduced administrative burden across the federal acquisition community.

FC8.401 Periodic Table of Acquisition Innovations (PTAI) procedures for FAR part 8 RFQ streamlining.

The PTAI provides targeted support for streamlining FAR part 8 ordering procedures by offering proven innovative approaches that agencies can adopt and adapt to their procurements. PTAI evaluation methodologies can be directly applied to Request for Quotation (RFQ) processes when placing orders under Federal Supply Schedule contracts or governmentwide acquisition contracts established by category management. Contracting officers can implement more efficient comparative evaluation approaches that focus on best value determinations rather than



lengthy technical assessments. The use of PTAI and other innovative approaches directly support FAR part 8 core objectives of reducing time, complexity, and cost while maintaining acquisition integrity and achieving optimal mission outcomes. Three flexible procedures that a contracting officer can use specific to the RFQ process are highlighted below. See the PTAI for additional information and additional approaches.

- **Phased down-select processes.** Consider multi-phase evaluation processes that progressively narrow the competitive field through increasingly detailed assessments. Initial phases might evaluate high-level solution approaches and team qualifications, while later phases examine technical details, pricing, and implementation plans from down-selected quoters. This approach reduces the proposal preparation burden for industry while allowing agencies to focus evaluation resources on the most promising solutions. Note this procedure is also useful under the Request for Proposal (RFP) process.
- **Exchanges with the best suited quoter.** Once the government determines the quotation that is most advantageous to the government based on its evaluation of initial responses, the government may communicate with only that best suited quoter to address any remaining issues consistent with the terms of the solicitation.
 - These issues may include technical and/or price. If the parties cannot successfully negotiate any remaining issues, as determined relevant by the government, the government reserves the right to communicate with the next best suited quoter based on the original analysis consistent with the terms of the solicitation.
- **Comparative evaluation.** The government may perform a comparative evaluation to select the quotation that provides the best value by comparing responses against the evaluation factors in the solicitation.
 - Rather than assigning ratings to each quoter, the evaluation team ranks quotations against each other or, if sufficient, identifies the top ranked quotation for each evaluation factor.
 - This streamlined approach focuses on documenting the rationale for how quotations rank relative to one another and explaining why the selected quotation represents the best value to the government. The evaluation and documentation should be efficient and proportional to the acquisition's complexity and value.

FC8.401 Best value determinations under FAR part 8.

Best value determinations for orders placed under Federal Supply Schedule contracts and governmentwide acquisition contracts require a balanced evaluation approach that considers both price and discriminating non-price factors to identify the solution that provides the greatest overall benefit to the government. Unlike traditional competitive procurements, FAR part 8 orders leverage pre-competed contract vehicles where basic price reasonableness has already been established, allowing contracting officers to focus their evaluation efforts on comparative



analysis among available contractors rather than extensive independent price analysis. The best value determination should demonstrate the rationale for selection.

FC8.401(b) Strategic management of award notice, debriefing, and protest window.

To avoid unnecessarily extending the protest window, the acquisition team led by the contracting officer should prepare to quickly provide debriefings when requested after making award decisions and notifying unsuccessful offerors. This timing consideration is relevant because unsuccessful offerors generally have 10 calendar days to file a GAO bid protest from the date the basis of protest is known. Note that an automatic stay of performance at GAO is 10 days after contract award or within 5 days of a debriefing date offered. Please note that if the last day of the computation period is a Saturday, Sunday, or Federal holiday, then the deadline for filing is the next day the protest venue (e.g., GAO, soliciting agency) is open.

Additionally, when a "brief explanation" of the award decision is required (as opposed to a debriefing), such as when awarding an order under the Federal Supply Schedule or using FAR part 12 request for quotations procedures (see FAR 12.201-1), consider preemptively including a "brief explanation" in the award notice. This approach may start the GAO 10-day bid protest clock, marking the point at which "the basis of protest is known or should have been known."

FC8.401(b) Contents of a brief explanation.

In accordance with the FSS ordering procedures, if an unsuccessful quoter requests information on an award within 3 days after the notification of contract award, provide a brief explanation of the award decision (see GSAR 538.7102-2(b)(6)). The brief explanation may include the following information:

- The number of quotations received;
- The name of each quoter receiving an award;
- The total order price; and
- In general terms, the reason(s) the quoter's quotation was not selected, unless the price information shared readily reveals the reason. In no event must a quoter's cost breakdown, profit, overhead rates, trade secrets, manufacturing processes and techniques, or other confidential business information be disclosed to any other quoter.

Part 9 - Contractor Qualifications

FC9.000 Contractor team arrangements.

A contractor team arrangement involves two or more companies forming a partnership or joint venture as a potential prime contractor, or a prime contractor agreeing with other companies to act as subcontractors for a specific government contract. These arrangements are beneficial for complementing capabilities and offering the best combination of performance, cost, and delivery. They are particularly suited for complex R&D but can be used in other acquisitions. Teams typically form before an offer, but can do so later, even after contract award. The government recognizes these arrangements if disclosed in an offer or before they become effective and generally won't require their dissolution. However, this doesn't authorize antitrust violations or limit the government's rights regarding subcontract consent, prime contractor



responsibility, data rights, competitive contracting, or holding the prime contractor fully responsible for performance.

FC9.000-70 Defense production pools and research and development pools.

These are groups of concerns that collaborate to secure and fulfill defense production or R&D contracts. They should have an approved agreement governing their organization and procedures, validated by either the Small Business Administration (SBA) or a designated official under Executive Order 10480 and the Defense Production Act of 1950.

A pool is generally treated like any other contractor. Offers are submitted in the pool's name or by a member on its behalf. Contracting officers verify the pool's approved status with the SBA or other approving agency. SBA-approved pools receive small business preferences and privileges accorded to small business concerns; Defense Production Act approval does not. For unincorporated pools, each participating member will be required to provide a power of attorney for the authorized signatory.

Pool members can submit independent offers, but not if they are also participating in a competing pool offer. When a pool member submits an individual offer, the contracting officer will consider the pool agreement, among other factors, to determine their responsibility as a prospective contractor.

FC9.103 Total cost consideration.

The award of a contract to a supplier based on lowest evaluated price alone can be misleading if there is subsequent default, late deliveries, or other unsatisfactory performance resulting in additional contractual or administrative costs. While government purchases must be made at fair and reasonable prices, this does not require an award to a supplier solely because that supplier submits the lowest priced offer. Remember to stipulate evaluation criteria in the solicitation that will lead to best value awards.

FC9.104-1 Special standards.

With the assistance of appropriate specialists, the contracting office may develop special standards of responsibility when it is necessary for a particular acquisition or class of acquisitions. Special standards may be particularly desirable when experience has demonstrated that unusual expertise or specialized facilities are needed for adequate contract performance. The special standards should be set forth in the solicitation; however, one must be careful not to set overly restrictive standards that only one contractor can deliver without the proper justification.

FC9.105-1 Preaward surveys.

Preaward surveys should only be undertaken when necessary—specifically when contracting officers don't have enough information available through normal channels to determine if a potential contractor is responsible and capable of performing the work. These surveys are not encouraged as a routine practice but rather reserved for situations where commercial sources or other readily available information don't provide sufficient insight into the contractor's abilities. For simpler contracts—those with fixed prices at or below the simplified acquisition threshold or involving commercial products and services—surveys should be avoided unless exceptional circumstances justify the additional cost and time involved.



When a preaward survey is found to be necessary, the contracting officer may request the survey using Standard Form 1403 (Preaward Survey of Prospective Contractor (General)). This request includes the complete solicitation package, any relevant performance history, and the specific factors that need investigation. The survey team then conducts a comprehensive evaluation covering technical capabilities, production capacity, quality assurance processes, financial stability, and accounting systems using the appropriate standard forms (SF 1404 through SF 1408). If the survey reveals past performance issues, the team documents what corrective actions the contractor has taken or plans to implement. In some cases where sufficient positive information already exists, a shortened survey format using only SF 1403 may be appropriate to streamline the process while still ensuring contractor capability.

For AbilityOne participating nonprofit agencies, the process works slightly differently. When the Committee for Purchase From People Who Are Blind or Severely Disabled requests assistance in assessing a nonprofit agency's capabilities, contracting offices use SF 1403 to conduct the capability survey and then provide a copy of the completed survey to the Committee's Executive Director. The contracting office may also determine that the AbilityOne nonprofit agency is capable without conducting a full survey, provided they can support this determination with appropriate rationale.

FC9.201 Qualified bidders list.

For recurring procurements of commercial products and services, particularly those under the Federal Supply Schedule or utilizing the simplified request for quotation process (FAR part 12), consider employing the Qualified Bidders List (QBL) concept. This is especially useful for addressing agency-specific non-functional requirements, such as security, legal, and IT considerations.

For instance, if an agency has recurring needs for software products, managing objectionable product-specific End User License Agreements (EULAs), Terms of Service (TOS), or similar legal instruments can be time-consuming for each individual procurement. This effort can be streamlined by proactively establishing and maintaining a QBL with willing industry partners. Unlike Blanket Purchase Agreements (BPAs), QBLs do not require upfront consideration of price or competition for their establishment.

Part 10 - Market Research

FC10.001 Conducting market research.

Federal acquisition teams should approach market research as an incremental process that builds understanding step by step.

Start by getting familiar with the marketplace relevant to your buy, and what capabilities are available, especially if you're working in an area that's new to you or your agency.

Once you understand the marketplace for your requirement, determine if existing agency capabilities can fulfill the need.



If you do not already have the capability within your agency, the next phase of market research can focus on whether shared services and other existing federal contract vehicles already offer the products or services you need—this can save time and effort.

If existing contracts don't meet your requirements, then assess the marketplace more broadly for an open market acquisition. Throughout this process, examine whether commercial products or services can work as-is or with minor changes, and consider how industry typically handles contracts, warranties, and support.

Market research can also reveal how your requirement may be met by small businesses, non-traditional contractors, or new entrants. The amount of research you do should match your situation—simple purchases need less research than complex ones, and you can often build on research that's already been done if it's still relevant. Remember, if commercial options seem limited at first, consider whether you can adjust your requirements to use what's available in the marketplace. Research thoroughly as you frame your decision.

FC10.001(b) Data-informed decision-making.

The Federal acquisition workforce has access to relevant and up-to-date data to frame market research and resultant acquisition decisions.

This data is in systems such as, but not limited to, the System for Award Management ([SAM.gov](https://sam.gov)), the Contractor Performance Assessment Reporting System ([CPARS.gov](https://cpars.gov)), the Federal Procurement Data System ([FPDS.gov](https://fpds.gov)), the [U.S. Small Business Administration Small Business Search](https://smallbusinesssearch.gov), and other tools and datasets accessible through websites such as [Acquisition.gov](https://acquisition.gov) and [Acquisition Gateway](https://acquisitiongateway.gov).

Use available data to shape strategies that match market realities, especially when deciding between acquisition methods or assessing vendor capability. You have discretion to use what is appropriate, as your professional judgment is trusted.

FC10.001(b) Sources for market research.

Meaningful engagement with industry helps to ensure your market research supports well-formed requirements and sound acquisition strategies, especially in complex or changing markets. You have flexibility to scale your efforts based on the size, complexity, and market conditions pertinent to your acquisition.

When conducting market research, you have a multitude of options for gathering information about the marketplace. These options include both desk research and industry engagement:

- Reviewing existing contract databases and procurement records to see what other agencies with similar requirements have purchased.
- Reviewing industry publications and trade journals to understand available products and market trends.
- Learning from industry through presolicitation conferences, industry days, reverse industry days, trade conferences, special notices, sources sought, requests for information, technical discussions, capability presentations, site visits, and online forums where vendors and government buyers exchange information.
- Examining supplier information from online resources like federal solution finders, category management websites, vendor websites, and on-line product literature.



- Talking with colleagues both within your agency and at other agencies who have worked on similar acquisitions or reaching out to technical experts who understand the requirements.

FC10.001(c) Exchanges with industry.

Exchanges with industry before issuing the formal solicitation are considered market research. The main purpose in this stage is to develop requirements and to form the most suitable competitive approach to meeting the agency's needs.

During market research, government officials including the program manager, users, small business specialists, IT specialists – as well as the contracting officer — can meet one-on-one with potential offerors. Government officials are not required to meet with all possible offerors. As a reminder, government officials must never promise business to any company or share other companies' information during exchanges.

FC10.001(c) Industry engagement opportunities.

Industry days and presolicitation conferences directly benefit the government by promoting a common understanding of the agency's requirements and procurement specific information (such as requirements or solicitation terms and conditions).

These engagement opportunities, when well conducted, also benefit industry – especially small businesses – by providing prime contractors and subcontractors a chance to meet and develop relationships or teaming agreements that benefit contract performance.

The value of these events derives from the government's willingness to provide maximum information to industry on its requirements, answer questions, and improve the solicitation based on feedback from potential offerors and contractors.

FC10.001(d) Requests for Information & Special Notices.

In government procurement, Special Notices, Sources Sought, and Requests for Information (RFIs) are essential for communication between agencies and industry partners. They enable the government to gather information and assess market capabilities before solicitations are issued.

These notices are a means to signal upcoming opportunities. Sources Sought Notices are typically published to identify potential contractors, while Special Notices allow for formal information exchange before issuing a solicitation.

Both of these help the government identify qualified suppliers through demonstrated capabilities and get feedback from industry on draft government requirements.

They help vendors gain visibility and prepare for future solicitations by responding with information on their expertise and offerings.

These tools help the government refine acquisition strategies before releasing a solicitation.

FC10.001(e) Commercial acquisitions.

A written market research report is not required for acquisitions of commercial products or commercial services under the simplified acquisition threshold or for orders under existing



Federal Supply Schedule contracts or governmentwide acquisition contracts established by category management.

The contracting officer's award documentation can serve as sufficient documentation of market research depending on the size and complexity of the acquisition. Refer to the applicable ordering procedures of the contract vehicle for specific guidance.

Part 11 - Describing Agency Needs

FC11.102(a)(2)(i) Modular acquisition strategies.

Break apart large, complex requirements into separately procurable components that reflect logical functional boundaries and technical interfaces, as appropriate (e.g., exceptions may apply for major systems programs).

This approach expands the competitive base by enabling specialized vendors to compete for elements within their core competencies, rather than mandating that contractors show expertise across all technical disciplines of an integrated system.

By procuring individual requirement components separately—including software applications, hardware subsystems, and specialized services—agencies can reduce system integration risks while maintaining clear technical interfaces and performance specifications.

This modular approach allows incremental technology insertion and component-level modernization without requiring complete system replacement. This approach optimizes lifecycle costs and enhances operational capability evolution throughout the system's service life.

Also, modular requirements development supports using performance-based specifications that focus on required outcomes rather than prescriptive technical solutions. This approach enables contractors to propose innovative approaches while maintaining clear accountability for deliverable performance standards and technical interface requirements. This is a common strategy for the acquisition of information technology (see more in FAR part 39 and related FC part 39).

FC11.102(a)(2)(i) Rapid capabilities integration.

Create pathways for quickly testing and adopting emerging capabilities through pilot programs, proof-of-concept demonstrations, and accelerated evaluation processes.

Consider milestone-based line item number structures to incentive performance under contract. The government can contemplate one or more than one single-award contract, with line items aligned to different phases (e.g., proof of concept, pilot, low rate of initial production, full production). Award the first line item, and hold the other line items as options, to be exercised as performance and progress is considered under the previously awarded or exercised line item.

This and similar contracting approaches allow for rapid experimentation without full-scale



commitment, so agencies can explore innovative solutions while managing risk. Flexible contract structures support constant development and evaluation and build partnerships with commercial innovators willing to show capabilities in government environments. This and similar approaches also help the government stay current with technological advancement while providing valuable feedback to commercial developers about what the government needs and requires.

FC11.102(a)(2)(i) Outcome-based contracting.

Focus on what you need to achieve rather than dictate how vendors should deliver results. This approach gives commercial providers the flexibility to apply their expertise, innovation, and best practices to meet your mission needs.

Instead of specifying exact methodologies, technologies, or labor categories required, define clear performance standards, metrics, and desired outcomes. This encourages vendors to propose creative solutions and allows them to use their commercial capabilities more effectively. The result is often better value, reduced government oversight burden, and solutions that benefit from ongoing commercial innovation and improvement.

- **Form partnerships in the process.** Focus on developing mutual trust and a shared sense of ownership of the successful delivery between government and industry. Build relationships so that both parties can align their incentives to deliver better outcomes for the public. Building these transparent relationships helps offerors trust the government acted fairly if they didn't win the award and encourages them to compete again next time.
- **Align performance metrics.** Develop meaningful performance metrics that directly connect to mission outcomes rather than technical specifications. Effective metrics focus on user experience, business process improvement, and mission capability enhancement rather than system characteristics alone.

In contracts, include incentives tied directly to these outcome-based metrics, rewarding contractors for exceeding targets and addressing performance shortfalls when they don't. This approach keeps both government and contractor teams focused on delivering real mission value.

FC11.102(c) Collaborative requirements development.

When possible and consistent with FAR 9.5, give potential contractors meaningful opportunities to engage with your requirements development process. While this may not be necessary for most simple, commercial procurements, more nuanced, government-specific, and complex requirements demand it.

Providing potential contractors with an opportunity to review and provide comments on draft requirements will yield more thoughtful requirements and unearth potential ambiguities early in the drafting process. Methods for sharing draft requirements and obtaining such feedback may include issuing a Request for Information (RFI) and sharing draft requirements via [SAM.GOV](https://sam.gov), or hosting requirements-focused industry days or other collaborative sessions.



This engagement helps ensure that what the government asks for makes sense in the real world and aligns with how industry actually works. Use existing specifications and standards as starting points rather than rigid rules and let the collaborative process inform final requirements. Avoid getting too specific about exactly how something should be built or delivered too early in the process—instead, focus on what you need to accomplish and let industry expertise pick the best way to get there. This approach leads to better solutions, more competition, and requirements that contractors can meet effectively.

FC11.102(c) Identify available specifications.

The [National Institute of Standards and Technology](#) can help agencies identify sources for, and content of, nongovernment standards. Department of Defense activities may get non-government standards from the [Defense Standardization Program Office](#).

Agencies may also obtain nongovernment standards from the standards developing organization responsible for preparing, publishing, or maintaining the standard, or from an authorized document reseller.

FC11.2 Treatment of inherently government functions.

When preparing requirements for services contracts, it is crucial to avoid assigning inherently governmental functions (as defined in FAR 7.5) to contractors. The requirements documentation should stipulate that contractor personnel whose actions might be perceived as those of government officials are properly identified and that all documents and reports generated by contractors are suitably marked.

FC11.204 Use brand name or equal purchase descriptions.

While using performance specifications is preferred to encourage offerors to propose innovative solutions, using brand name or equal purchase descriptions may help under certain circumstances, such as when a certain brand product is currently being used but you are open to considering comparable products.

Brand name or equal purchase descriptions should include, in addition to the brand name, a general description of those key salient physical, functional, or performance characteristics of the brand name item that an “equal” item must meet to be acceptable for award.

Part 12 - Acquisition of Commercial Products and Commercial Services

FC12.000, 2.101 Understanding commercial products and services.

When evaluating whether a product qualifies as commercial, acquisition professionals can focus on the extent of modifications required to meet government needs. The critical distinction lies between minor modifications and major customization.

- Minor modifications to products typically qualify as commercial when changes don't significantly alter how the item normally functions or its essential characteristics outside of government use.
- Major customization to products typically eliminates commercial status when substantial changes fundamentally alter core functionality or essential characteristics.



- Scope and value considerations include evaluating modifications relative to the overall product. Dollar amounts and percentages can serve as helpful guides, though they're not the only determining factors.
- For services, consider examining whether pricing reflects true commercial practices by checking if prices represent genuine market rates—those established through normal business transactions between willing buyers and sellers, supported by competition or independent sources—rather than just the vendor's claims.

The objective is to ensure that what the government is buying truly reflects what's available in the commercial marketplace under similar terms and conditions.

FC12.201 Modular acquisition strategies.

Consider breaking large, complex requirements into smaller, independently procurable components that align with how commercial markets naturally organize products and services.

This approach can open competition to vendors who excel in specific areas rather than requiring contractors to master every aspect of a complex system. This is a common strategy for the acquisition of information technology (see more in FAR part 39 and related FC part 39). By purchasing components of requirements separately—such as software applications, hardware components, or professional services—agencies may follow commercial best practices and reduce integration risks. This strategy also enables more frequent technology refreshes of individual components without replacing entire systems, potentially reducing long-term costs and improving performance over time.

FC12.201-1(e)(3) Blanket purchase agreements (BPAs).

A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services. BPAs may be established for use by an organization responsible for providing supplies for its own operations or for other offices, installations, projects, or functions within an agency or across the government. BPAs may be established with a single firm or multiple suppliers for products or services of the same type to provide maximum practicable competition.

BPAs should include:

1. Sufficient detail about the need, such as scope of work;
2. An ordering period, inclusive of any options or award terms;
3. Ordering procedures, such as identification of the customers/individuals authorized to place orders and any limitations surrounding the placement of orders; and
4. If applicable, any ordering activity requirements, such as invoicing, delivery, discounts or other concessions (if any).

BPAs should state the estimated value, but should not specify a ceiling. On an annual basis or prior to exercise of an option, BPAs should be reviewed to ensure the BPA still represents the best value; verify the accuracy of estimated quantities/amounts to assess if the value may need adjustments, ensure that the BPA ordering procedures are being followed; and consider if additional price discounts or other concessions can be obtained.



FC12.204 Supplier license agreements.

Many commercial products and services are acquired subject to supplier license agreements. These are particularly common in information technology acquisitions, but they may apply to any supply or service.

For example, computer software and services delivered through the internet (web services) are often subject to license agreements, referred to as End User License Agreements (EULA), Terms of Service (TOS), or other similar legal instruments or agreements.

The acquisition team managing Federal Supply Schedule contracts or governmentwide acquisition contracts under category management will establish commercial supplier license agreements that apply to all orders to maximize administrative efficiency.

As much as possible, agency orders under the Federal Supply Schedule should use these negotiated license agreements. Agencies should review the terms and determine whether any further terms necessitate negotiation.

When the supplier license agreement negotiated under existing Federal Supply Schedule or governmentwide acquisition contracts does not meet the agency's need, contracting officers should:

- conduct market research to identify the availability of such commercial license terms,
- coordinate with agency legal counsel and IT personnel to review and negotiate acceptable license agreements, and
- ensure that any negotiated terms comply with federal requirements and protect government interests while maximizing commercial terms and meeting the government's operational needs.

FC12.301 Strategic management of award notice, debriefing, and protest window.

To avoid unnecessarily extending the protest window, the acquisition team led by the contracting officer should prepare to quickly provide debriefings when requested after making award decisions and notifying unsuccessful offerors. This timing consideration is relevant because unsuccessful offerors generally have 10 calendar days to file a GAO bid protest from the date the basis of protest is known. Note that an automatic stay of performance at GAO is 10 days after contract award or within 5 days of a debriefing date offered. Please note that if the last day of the computation period is a Saturday, Sunday, or Federal holiday, then the deadline for filing is the next day the protest venue (e.g., GAO, soliciting agency) is open.

Additionally, when a "brief explanation" of the award decision is required (as opposed to a debriefing), such as when awarding an order under the Federal Supply Schedule or using part 12 request for quotations procedures (see FAR 12.201-1), consider preemptively including a "brief explanation" in the award notice. This approach may start the GAO 10-day bid protest clock, marking the point at which "the basis of protest is known or should have been known."

FC12.301(b) and FC12.402(d) Contents of a brief explanation.

The brief explanation of the award decision under FAR part 12.301(b) or FAR part 12.402(d) may include the following information:



- The number of quotations received;
- The name of each quoter receiving an award;
- The total contract price; and
- In general terms, the reason(s) the quote was not accepted, unless the price information shared readily reveals the reason. In no event shall a quoter's cost breakdown, profit, overhead rates, trade secrets, manufacturing processes and techniques, or other confidential business information be disclosed to any other quoter.

FC12.201-1 Periodic Table of Acquisition Innovations (PTAI) for FAR part 12 simplified procedures.

FAR 12.201-1 provides for simplified procedures for the acquisition of commercial products and services valued up to \$7.5 million (or \$15 million as outlined in FAR 12.001(b)) through the issuance of a Request for Quotation (RFQ) followed by a purchase order. Use of FAR part 15 procedures for the acquisition of commercial products or services up to \$7.5 million is no longer permissible.

PTAI evaluation methodologies can be directly applied to Request for Quotation (RFQ) processes under FAR part 12 by offering proven innovative approaches that agencies can adopt and adapt to their procurements. Contracting officers can implement more efficient comparative evaluation approaches that focus on best value determinations rather than lengthy technical assessments. The use of [Periodic Table of Acquisition Innovations \(PTAI\)](#) and other innovative approaches directly support FAR part 12 core objectives of reducing time, complexity, and cost while maintaining acquisition integrity and achieving optimal mission outcomes.

Many of these innovative approaches are also appropriate and beneficial for acquisition of commercial products and services when using FAR part 12 in conjunction with part 15 above \$7.5 million.

Part 18 - Emergency Acquisitions

FC18.001 Response planning.

In anticipation of potential emergency response requirements, agencies involved in response planning should consider awarding emergency response contracts before a major disaster or emergency occurs to ensure immediate response and relief. These contracts should be structured to respond to immediate emergency response needs.

FC18.001 Emergency Procurement List.

The FAR has built-in flexibilities that allow contracting officers to act quickly for an urgent need. These flexibilities can be used without a formal emergency declaration or contingency operation designation. Contracting officers may use the flexibilities detailed in the [Emergency Procurement List](#) to support emergencies.

FC18.001 Streamlined procedures for commercial products and services in support of emergency acquisitions.

FAR 12.001(b) permits agencies to treat any acquisition of supplies or services that, as



determined by the head of the agency, are to be used to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack, as an acquisition of commercial products or commercial services. For these acquisitions, the \$7.5 million threshold referenced throughout this part is increased to \$15 million. Further, FAR 12.201-1 provides for simplified procedures for the acquisition of commercial products and services through the issuance of a Request for Quotation (RFQ) followed by a purchase order. The [Periodic Table of Acquisition Innovations \(PTAI\)](#) offers evaluation methodologies that can be directly applied to support emergency acquisitions by offering proven innovative approaches that agencies can adopt and adapt to their procurements.

Part 26 - Other Socioeconomic Programs

FC26.103. Indian Incentive Program procedures.

FAR 26.103 provides the standard of reliance on representations made by Indian organizations or Indian-owned economic enterprises regarding Indian Incentive Program eligibility as well as the referral process in the event of a challenge. The contracting officer should notify the prime contractor upon receipt of any challenge.

To be considered timely, challenges should be in writing, include the basis for the challenge, provide detailed evidence supporting the claim, and be filed with and received by the contracting officer prior to award of the subcontract in question. If notification of a challenge is received before award, the prime contractor shall withhold award pending Bureau of Indian Affairs (BIA) determination unless the prime contractor and contracting officer agree that award should proceed to ensure timely performance of the prime contract. Challenges received after subcontract award will still be referred to BIA, but any determination will only apply to future contract actions.

The referral process requires the contracting officer to refer the matter to the U.S. Department of the Interior, Bureau of Indian Affairs (BIA). The BIA will acknowledge receipt of the request within 5 business days and will provide a written determination to the contracting officer within 45 additional business days. If the BIA determination is not received within the prescribed 50 business day timeframe, contracting officers and prime contractors may proceed based on the subcontractor's original representation.

FC26.2 Disaster Response Registry and Emergency Procurement List.

When national emergencies or disasters occur, supplies and services need to be procured and rushed to the affected area quickly. The System for Award Management contains a [Disaster Response Registry](#) that lists those contractors who are willing to provide related services. Further, FAR FC18.1 provides an emergency procurement list of acquisition flexibilities that support disaster response (see also [Emergency Procurement List](#)).

FC26.402 Food Donation Procedures.

In accordance with FAR 26.4, contracting officers should encourage contractors to donate apparently wholesome excess food to nonprofit organizations that provide assistance to food-insecure people in the United States, to the maximum extent practicable and safe. This encouragement recognizes both the social benefit of reducing food waste and supporting



vulnerable populations while acknowledging that contractors may face legitimate operational or safety constraints that limit their participation in food donation programs.

When encouraging food donations, contracting officers should clarify that contractors retain full responsibility for all costs and logistics associated with collecting, transporting, maintaining safety of, and distributing excess food to nonprofit organizations. The government will not assume any financial responsibility for these donation activities, and executive agencies cannot reimburse contractors for expenses incurred in connection with food donations under any contract. Additionally, contractors cannot claim food donation costs as allowable public relations expenses, ensuring these activities remain voluntary charitable contributions rather than reimbursable contract costs. This cost framework preserves the charitable nature of food donations while preventing unintended increases to government contract expenses.

Part 28 - Bonds and Insurance

Reserved.

Part 29 - Taxes

Reserved.

Part 31 - Contract Cost Principles and Procedures

Reserved.

Part 33 - Protests, Disputes, and Appeals

FC33.103 Solicitation clarity and execution.

The most effective protest defense involves having a clear solicitation and following what you say you will do. Many protest issues may be preventable through proper execution against your solicitation requirements. Complex evaluation schemes with multiple factors, subfactors, and unclear evaluation criteria carry higher protest risk. Avoid using overtly constraining language that limits the government's permissible discretion during evaluation or source selection.

FC33.103 Technical evaluation safeguards.

To ensure a defensible position during trade-off evaluations, precisely follow the solicitation evaluation criteria. Deviations from the stated methodology or the evaluation of unstated criteria is likely to lead to potential protests. When proposals offer capabilities beyond requirements, it is important to document whether these enhancements add value or are unnecessary. Strengthen the evaluation record by ensuring ratings align with solicitation definitions and are supported by specific rationale.



FC33.103 Documentation practices.

Direct, succinct, and bulleted documentation makes it easier to assess and understand the rationale for government decisions. Maintaining clear contemporaneous records of evaluation rationale, decision points, and supporting analysis provides the foundation for defending award decisions.

FC33.103(b)(3) Referral to the agency suspending and debarring official.

If a post-award protest is upheld due to an awardee's intentional or negligent misstatement, misrepresentation, or miscertification, the contracting officer should consider referring the issue to the agency's suspending and debarring official for review under subpart 9.4.

FC33.105-1 Protests to GAO.

GAO publishes and maintains an informal, practical guide to the bid protest process. It is available at [Bid Protests at GAO: A Descriptive Guide \(Tenth Edition, 2018\) | U.S. GAO](#).

FC33.105-3 Strategic management of award notice, debriefing, and protest window.

To avoid unnecessarily extending the protest window, the acquisition team led by the contracting officer should prepare to quickly provide debriefings when requested after making award decisions and notifying unsuccessful offerors. This timing consideration is relevant because unsuccessful offerors generally have 10 calendar days to file a GAO bid protest from the date the basis of protest is known. Note that an automatic stay of performance at GAO is 10 days after contract award or within 5 days of a debriefing date offered. Please note that if the last day of the computation period is a Saturday, Sunday, or Federal holiday, then the deadline for filing is the next day the protest venue (e.g., GAO, soliciting agency) is open.

Additionally, when a "brief explanation" of the award decision is required (as opposed to a debriefing), such as when awarding an order under the Federal Supply Schedule or using FAR part 12 request for quotations procedures (see FAR 12.201-1), consider including a "brief explanation" in the award notice. This approach may start the GAO 10-day bid protest clock, marking the point at which "the basis of protest is known or should have been known."

FC33.105-3 Debriefing best practices.

When debriefings are required and requested, the acquisition team led by the contracting officer might consider providing technical evaluation documentation relevant to the requesting vendor. Providing this transparency may reduce the likelihood of protests due to lack of information. Debriefings should be framed as opportunities for vendors to learn for future proposal development and for the government to improve future solicitation preparation.

FC33.205-6 Contracting officer's duties upon appeal.

The contracting officer should provide the agency Board of Contract Appeals (BCA) with necessary data, documentation, information, and support for a pending appeal stemming from the contracting officer's decision, as permitted by agency procedures governing contact with BCA personnel.



FC33.205-8 Alternative dispute resolution (ADR).

Contracting officers may choose the most suitable Alternative Dispute Resolution (ADR) procedure to address issues as they emerge. Legal consultation should be sought when necessary.

Part 34 - Major System Acquisition

Reserved.

Part 35 - Research and Development (R&D) Contracting

FC35.000 Oversight in research contracts with educational and nonprofit institutions.

When awarding R&D contracts to educational or nonprofit institutions, especially for open-ended research, clearly define the role and time commitment of the principal investigator (PI), who is the lead researcher responsible for managing the project and delivering results.

If the contract is based on the PI's expertise, name them in the contract as a key personnel, and require approval for any changes to the PI, research focus, objectives, or methods. The PI should maintain active engagement throughout the project and notify the contracting officer of any substantial reduction in level of effort. For institutions with multiple contracts, consider a basic agreement to promote consistency and reduce administrative workload. Review and update these agreements at least annually. This helps ensure the research stays aligned with government expectations while supporting innovation.

Additionally, nonprofit, educational, or State institutions performing cost-reimbursement contracts often do not carry insurance. They may claim immunity from liability for torts, or, as State institutions, they may be prohibited by State law from expending funds for insurance. When establishing contracts with these entities, see FAR part 28 to ensure appropriate insurance clause coverage.

FC35.002 Understanding the purpose of R&D contracts.

The primary purpose of contracted R&D programs is to advance scientific and technical knowledge and apply that knowledge to the extent necessary to achieve agency and national goals.

Unlike contracts for supplies and services, most R&D contracts are directed toward objectives for which the work or methods cannot be precisely described in advance. It is difficult to judge the probabilities of success or required effort for technical approaches, some of which offer little or no early assurance of full success.

The contracting process shall be used to encourage the best sources from the scientific and industrial community to become involved in the program. The program should provide an environment in which the work can be pursued with reasonable flexibility and minimum administrative burden.



FC35.002 Recoupment.

Recoupment refers to the government's recovery of government-funded nonrecurring costs from contractors. This applies when contractors sell, lease, or license the resulting products or technology to entities other than the Federal government. If not legally mandated, recoupment should adhere to agency procedures.

FC35.1 Understanding the different approaches to R&D contracting.

R&D contracts differ fundamentally from supply or service contracts in that they often have undefined or evolving methods and objectives aimed at advancing knowledge or technology.

Federal acquisition teams should recognize this unique nature and design contracting approaches that encourage innovation and adaptability by avoiding overly prescriptive requirements.

Create contracting environments that minimize administrative burdens to attract and retain top scientific and technical talent. Use outcome-focused language in contracts rather than rigid specifications and allow contractors space to explore alternative technical approaches that may lead to breakthrough solutions. Consider developing more than one source to create long-term competition.

FC35.101 Developing effective requirements documentation.

Federal acquisition teams benefit from working with technical experts to develop clear, complete requirements documentation tailored to the unique goals of R&D efforts. Effective approaches focus on defining achievable and meaningful objectives that advance agency mission requirements while encouraging problem-solving rather than dictating specific methods.

Strong requirements documentation emphasizes research objectives and provides a concise, well-defined understanding of the problem to solve. R&D contracts may identify goals but not how to reach them, as that determination is left up to the contractor – especially in the early or exploratory phases. This approach allows contractors the freedom to innovate and apply creative approaches, which is essential to R&D.

Requirements documentation works best when aligned with the type and form of contract being used. For example, level-of-effort contracts outline the required technical effort and reporting expectations, while completion contracts describe specific end objectives or milestones. Mixing language from both types within one document can create confusion.

Well-structured R&D requirements documentation includes contextual information such as background on prior related work, known phenomena, relevant methodologies, and any constraints related to personnel, environments, or interfaces that may impact the effort. Key elements include clearly identified milestones like testing phases, assessment points, or minimum viable product demonstrations, along with deadlines for progress and delivery. Administrative elements like payment procedures and security requirements also merit clear articulation.

Effective requirements documentation avoids rigid, overly detailed performance specifications that could hinder agility and adaptation. Strong documentation sets expectations and guides



performance while empowering contractors to bring forward their best ideas and keeping government objectives front and center.

FC35.101 Subcontractor considerations.

R&D contracts are awarded based on the contractor's technical expertise, so it's critical to know who will actually perform the work to maintain the integrity and quality of the R&D effort. Contractors should not subcontract technical or scientific tasks without the contracting officer's prior knowledge and approval.

This means, for cost-reimbursement contracts, this information should be gathered during negotiations; for fixed-price contracts, it should still be reviewed to protect the government's interests. Use FAR clause 52.244-2 to require approval of key subcontracts as appropriate for your R&D contracts.

FC35.101(g) Contract types for R&D.

The contract type should reflect the maturity and predictability of the work, balancing flexibility with accountability throughout the life of the R&D effort.

Federal acquisition teams typically encounter technical uncertainty, evolving requirements, and cost unpredictability in the R&D context that render sealed bidding and fixed-price contract approaches ineffective for early-stage projects.

Negotiation is typically required, and selecting the right contract type should involve input from technical experts who can assess the project's complexity, objectives, and risks.

Fixed-price contracts may be appropriate for R&D contracts, if the work can be divided into objective and measurable milestones where the technical and cost risk is reasonable. This approach allows for more control over budget and performance, even in R&D settings.

Fixed-price level-of-effort contracts can also work well for short-term or well-defined tasks like concept development or problem solving. As the project matures, and design stability and risk diminish and become more tolerable, the acquisition strategy should shift toward more fixed-price arrangements to encourage performance and cost discipline.

In many cases, cost-reimbursement contracts are appropriate for R&D (e.g., research in advanced technology applications, early conceptual work on a complex project) because they offer the flexibility needed for exploratory or developmental work where uncertainty about needed resources make it difficult to negotiate an affordable fixed price. However, these "best effort" arrangements increase the government's exposure to overspending because they provide little incentive to control cost. Contractors are only required to make a good-faith attempt within the agreed budget, so use cost-reimbursement contracts with caution, and consider hybrid arrangements that allow for work to go from cost-type to fixed-price as greater stability in requirements develops and cost profiles are established.



FC35.102 Peer and scientific review processes.

Use peer or scientific review processes to evaluate submissions, which generally involves a panel of experts evaluating proposals based on their specialized knowledge and experience relevant to the subject matter.

Expert panels may include scientists, engineers, and subject matter experts from government, industry, or academia to provide objective assessment of technical merit, feasibility, and potential impact of proposed solutions.

Use flexible evaluation frameworks tailored to R&D complexity, recognizing that projects often involve unique challenges and unpredictable outcomes that require moving away from rigid, one-size-fits-all evaluation approaches.

FC35.201 How to use evaluation criteria for R&D.

Evaluate submissions based on technical merit, including how innovative, feasible, and well-developed the proposed solution appears to be. Limit evaluation factors to a manageable number, focusing on evaluation factors that will serve as meaningful discriminators. Consider the submission's connection with the agency's problem, specifically how directly and effectively the proposal addresses critical agency challenges. Assess the funds available and the proposed price for the solution and determine whether the solution's value justifies the price while aligning with agency goals and resource limits. Consider the return on investment (ROI) and evaluate whether the project is affordable given the agency's competing priorities and available funding.

FC35.201 Merit-based evaluation methods.

Choose R&D solutions based on best technical ideas and organizational competence rather than solely on lowest cost or traditional comparative methods. Prefer merit-based evaluation for R&D acquisitions, given the unique nature of innovation and the difficulty in comparing direct prices between fundamentally different technical approaches.

FC35.201(c) Price evaluation in R&D acquisitions.

Before heading into negotiations, think critically about the evaluation of price— don't just focus on the numbers. In R&D acquisitions, price competition is often limited, and comparing proposals can feel like comparing apples to oranges.

Start by asking what's the cost of walking away with no award? Would it delay the mission or increase costs later? Then, compare what each offer delivers for the price using practical alternative approaches that make sense for unique, innovative solutions.

If your solicitation encourages multiple offerors (like in a Broad Agency Announcement, or BAA), that alone can create competitive pressure, fostering inherent economic competition and driving reasonable pricing from the start—even if the solutions differ. Still, you can and should negotiate further to fine-tune the final price.

When one proposal is more expensive, ask whether the higher price is tied to real technical advantages. Use a "price-walk" approach: line up two solutions, break down their technical differences, and assign value to those differences. Look for the most similar solution with known pricing to help judge whether the added cost is justified. Avoid writing off solutions as "too



different to compare." With the right questions and analysis, you can make smarter, more defensible price decisions.

Think about the value of what you're buying. Will it improve performance, reduce long-term costs, or strengthen the mission? A return-on-investment mindset helps justify pricing when no clear benchmarks exist.

Evaluate the basis of an estimate. Instead of requiring a detailed cost breakdown, look for a well-explained, logical estimate—how did the offeror build their price? Are the assumptions clear and supported by solid data?

Finally, be cautious about using the budget ceiling as the only check on pricing. Just because a proposal comes in under the ceiling doesn't mean the price is right. Always combine budget info with a broader look at the solution's value, ROI, and pricing logic. These methods help you make sound, supportable decisions—even in the complex world of R&D.

FC35.403 Establishing and managing sponsoring agreements for Federally Funded Research and Development Centers (FFRDCs).

When working with a FFRDC, a sponsoring agreement helps to establish a clear mission, define responsibilities, and guide the relationship over time. The agreement formalizes the relationship between the government and the FFRDC, defines the FFRDC's mission, and sets the expectations for periodic reviews.

While specific content in an agreement may vary depending on circumstances, the agreement should cover key items like the FFRDC's mission, how to handle termination or nonrenewal, how to handle assets and liabilities, how to use retained earnings, and rules about competing for non-FFRDC federal work, which is prohibited in FAR 35.403(b)(4).

The agreement should also state whether the FFRDC can take on work from entities other than the sponsor and under what conditions. Sponsoring agreements promote transparency, prevent confusion, and support long-term success. Review such agreements annually and renew every five years, keeping expectations up to date and ensuring they remain current and relevant.

Part 36 - Construction and Architect-Engineer Contracts

FC36.000 Design Build vs. Design Bid Build.

Design-Build and Design-Bid-Build are two methods used to acquire construction.

Design-Bid-Build (DBB): With the DBB process, the government will issue two contracts. The first is to an Architect-Engineer (A-E) firm for the design of the facility; the second is to a construction contractor for the building of the facility in accordance with the provided design. Once a need is identified, the government will select an A-E firm in accordance with the procedures at FAR 36.102-2. The selected firm will design the facility pursuant to the terms of the contract. The completed design will include the technical drawings, materials, and estimated cost. This becomes the basis for the construction requirements and the Independent



Government Estimate (IGE). Once the design is developed, the government will use the IGE to obtain funding and the design to solicit a construction contract. The offerors for the construction contract will base their bids on the design provided by the government. The government will award the contract to the lowest priced offeror.

Design-Build (DB): With DB, the end user (in this instance, the government) issues one contract to a construction contractor where the contractor is responsible for developing the design of the construction and subsequently performing the construction. Procedures for using DB are spelled out in FAR 36.101-2. In phase one, the government develops the scope of work describing the needs of the facility and the salient characteristics of the facility to include the estimated budget. The government also develops the technical evaluation factors, which assess and determine those vendors that will proceed from phase one to phase two. Vendors prepare their design to meet the requirements of the government and make a phase one offer to the solicitation, which does not include price. The government evaluates offers in accordance with the evaluation factors and selects vendors to move to phase two.

Phase one does not follow FAR part 15 procedures. The vendors selected to advance to phase two are given the opportunity to prepare a complete proposal for their design evaluated in phase one. The phase two proposal will include pricing and technical information regarding their plan to implement their phase one design. The proposals are evaluated by the government, and the government makes a best value determination based on the evaluation criteria. The contract is awarded, and the contractor builds the facility to their design. Phase 2 follows FAR part 15 procedures.

FC36.000 Distinction between design phase and construction phase.

In Design-Bid-Build, the distinction between the design and construction phases is clear. An Architect-Engineer (A-E) firm is engaged in the design phase. A construction contractor is not involved in the design process as they will not be engaged until the final design is complete. With the final design, the government solicits a construction contractor to build according to the design provided. During construction, if changes to the design are necessary, the construction contractor engages with the government, who in turn, may engage with the A-E firm for the necessary changes. This distinction is clear as there are two separate contractors – the A-E firm and the construction contractor.

In Design-Build, one contractor is responsible for both the design and construction phases. Accordingly, the contractor must address any design issues discovered during the construction phase.

FC36.002(c) Design-Build Success Factors.

Design-Build integrates design and construction services into a single contract; it's fundamentally different from traditional linear Design-Bid-Build or Architect-Engineer contracts.

The professional responsibility for the design and design integrity is with the Designer-of-Record on the contractor's Design-Build team, not the government. Success depends on understanding these unique aspects and structuring procurements accordingly.



FC36.1 Presolicitation notice for construction and architect-engineer contracts.

A presolicitation notice is intended to stimulate interest in the upcoming construction project. This is especially important for small businesses as they need as much time as possible to assemble a team to compete for the project. The presolicitation notice should include a brief description of the work, the location of the work, tentative dates for the acquisition process, state the availability of construction plans, and if the construction will be limited to small businesses.

FC36.1 Maximizing preaward site visits for construction contracts.

Preaward site visits under FAR part 36 enable potential contractors to physically inspect project locations, evaluate site conditions and constraints, and gather critical information necessary for developing accurate proposals and realistic project approaches. These visits support informed bidding by allowing contractors to assess site accessibility, existing conditions, environmental factors, and logistical challenges that may impact construction methods, scheduling, and costs. Federal acquisition teams should conduct comprehensive site visits that facilitate meaningful contractor engagement and information exchange. Structure visits to include scenario-based walkthroughs where vendors address specific implementation challenges, enabling government personnel to identify potential requirement gaps or unrealistic expectations. Incorporate real-time technical discussions with project engineers, facility managers, and end-users to clarify operational requirements and construction constraints. Consider presolicitation site visits to gather industry feedback that can strengthen requirement development and reduce postaward modifications. Document existing conditions thoroughly through photos, videos, and measurements, provide studies and surveys, and include opportunities for confidential vendor feedback through discovery sessions. Effective site visits reduce proposal assumptions, surface practical construction challenges early, and establish collaborative relationships that minimize differing site conditions claims while ensuring contractors can deliver feasible, innovative solutions.

FC36.101 Construction.

Refer to FAR part 12 (if commercial), FAR part 14 (if using Sealed Bid) and FAR part 15 (if contracting by negotiation) for the presolicitation requirements.

FC36.101-2(b)(1) Use performance-based requirements.

Minimize prescriptive specifications and maximize performance-based requirements to allow design-build teams to innovate. Since the design-builder holds responsibility for design adequacy, detailed government specifications can limit the benefits of integrated delivery and create unnecessary risk conflicts.

FC36.101-2(b)(2) Emphasize qualifications over price.

Structure evaluations where past performance and experience are the most heavily weighted factors, with all non-price factors combined being significantly more important than price.

Here are some approaches that can support an emphasis on qualifications:

- Verify past performance of the integrated design-build entity, key designers, and trade partners for projects within the past seven years.
- Credit teams with demonstrated collaboration history on previous design-build projects, as the relationship between contractor and designer-of-record is critical to success.



- Require identification of the Design-Build Project Manager and key personnel with specialized certifications such as Leadership in Energy and Environmental Design - Accredited Professional (LEED-AP), Project Management Professional (PMP), Design-Build Institute of America (DBIA), Certified Construction Manager (CCM), or Construction Specifications Institute (CSI).

FC36.101-2(b)(4) Optimize competition through strategic short-listing.

While the FAR permits up to five offerors in phase two, consider limiting phase two to the three most highly qualified to encourage meaningful competition while reducing administrative burden.

When determining and announcing the maximum number of offerors that will be selected to submit phase two proposals, the contracting officer can favor the lowest number (e.g. three) that would yield effective competition.

Developing a phase two cost proposal typically includes a firm demonstrating completion of up to 80 percent of the design work and identifying detailed space and material needs. Some in industry report that the cost of developing a full proposal for a phase two design-build contract can exceed three percent of the value of the project (see H. Rept. 113-668 - Design-Build Efficiency and Jobs Act of 2014).

Also, offerors submit the best proposals when they believe their probability of win (pWin) is high enough. The maximum number of five would mean 20 percent pWin as opposed to over 33% if the number is set at three.

Provide draft RFPs to short-listed proposers for feedback and conduct confidential meetings before proposal submission to encourage innovation and address concerns.

FC36.101-3 Government estimates.

The government will develop its estimate based on the design. The design will either be developed by the government or by an Architect-Engineer (A-E) firm. If it is done within the government, the government employed engineer will develop the estimate based on the design the government created. If an outside A-E firm does the design, they will also include a proposed estimate in their final design.

If using the Design-Build method, the government will establish the budget parameters when establishing the scope of work in phase one. Although the complete government estimate is not established until the final design is completed, the budget parameters will establish a general range of the estimate. Once the final design is approved and awarded, the true government estimate can be established.

FC36.101-3 Disclose the magnitude of the construction project.

Disclose the target price range (not the Independent Government Estimate) in the solicitation to maximize project value in terms of quality, scope, energy efficiency, sustainability, durability, and life-cycle costs. Price range disclosure supports industry participation by enabling contractors to assess project feasibility and prevents award delays by reducing inappropriate proposals.

Including a target "design to" price range allows offerors to develop solutions within funding



constraints while enabling agencies to evaluate trade-offs between cost and quality to achieve best value. Agencies should encourage project enhancements within the established price parameters, for example, by structuring them in a tiered manner, such as “desirable” enhancements and “if possible” additions.

FC36.2 Government construction specifications.

Government construction specifications, to the maximum extent practical, should conform to widely recognized standards or specifications used in construction. Specifications should clearly identify and describe the particular physical, functional, or other characteristics required, especially when brand name or equal descriptions are necessary.

FC36.2 Construction specific information on notification of award notification.

Construction award notifications should identify the solicitation and the awarded price, so it is clear which contract action the notice pertains to. In the notice, it is important for the contracting officer to articulate the required tasks that must be completed prior to commencement of the work or issuance of the notice to proceed (NTP). For instance, advise the contractor that the required payment and performance bonds must be promptly executed and returned to the contracting officer, and specify the date of commencement of work, or advise when a NTP will be issued.

FC36.3 Postaward pre-construction orientation.

In addition to the best practices outlined in FC42.3, postaward pre-construction orientations should consider the following matters of interest:

- Statutory matters, such as labor standards (FAR part 22) and subcontracting plan requirements (FAR part 19).
- Other matters of interest, such as contractual, administration (e.g., security, safety, fire and environmental protection), and construction responsibilities.

FC36.3 Notice to Proceed.

Construction is unique as the contractor is not expected to commence work at the award of the contract. The contractor is not expected to begin work until the Notice to Proceed (NTP) is issued. The NTP is issued by the contracting officer when the contractor has completed certain tasks. These tasks include, but are not limited to, gaining access to the government facility where the construction will take place, obtaining the necessary performance and payment bonds, and other training and tasks required by the government.

Once the contracting officer is satisfied that all the necessary tasks are completed by the contractor, the contracting officer will issue the NTP. This letter states that the contractor has the approval to start the construction and it states the timeframe in which the construction is expected to be completed. This is very important as the timeframe for completing the project begins with the issuance of the NTP and not at the time of the contract award.

FC36.000 Plan for collaborative contract administration.

Design-build requires more government engagement during design development than traditional construction contracts. Establish clear processes for “design commitment”— the point at which design is confirmed to meet criteria, codes, budget, and schedule.



Define agency and design-builder roles clearly, particularly for submittal processes and quality assurance. Use "over-the-shoulder" reviews that allow informal collaboration during design development rather than formal reviews only after significant design investment.

FC36.000 Team integration and training.

Staff projects with individuals educated and experienced in design-build best practices whose personalities are well-suited to the collaborative nature of the design-build process. Use co-location when justified by project complexity. Establish structured partnering processes and executive leadership groups to monitor project execution regularly.

Part 38 - Reserved

Reserved.

Part 39 - Acquisition of Information and Communication Technology (ICT)

FC39.001 Applicability.

FAR part 39 emphasizes strategies that promote faster acquisition and secure deployment for information and communication technology including information technology (IT), operational technology, emerging technology, and information systems. The definition for information and communication technology is in FAR part 2. However, the following context may be helpful in navigating the diverse ICT marketplace:

- **Operational technology** includes programmable systems or devices that interact with the physical environment or manage devices that interact with the physical environment. These systems or devices detect or cause a direct change through the monitoring and/or control of devices, processes, and events.
- **Emerging technology** includes any evolving or innovative capability (whether hardware, software, or service) that introduces new methods, tools, or efficiencies in support of mission needs. This includes technologies undergoing rapid advancement or change, and those with the potential to significantly improve operations, service delivery, and security (such as the Internet of Things, or IoT).
- **Information systems** can combine information technology, operational technology, and emerging technology.
 - Information systems can be deployed on premises or in the cloud.
 - Cloud deployments can be performed either as infrastructure, platform, or software as a service.

FC39.001(a)(2) Strategic planning for ICT acquisitions.

Successful ICT acquisitions begin with thoughtful planning that extends beyond immediate technical requirements to consider long-term strategic objectives, organizational, and operational factors consistent with OMB Circular A-130, "Managing Information as a Strategic Resource." These planning approaches establish the foundation for technology solutions that



remain viable and valuable throughout their lifecycle while meeting Federal information governance requirements.

OMB Circular A-130 establishes general policy for information governance, acquisitions, records management, open data, workforce, security, and privacy and represents a shift from viewing security and privacy requirements as compliance exercises to understanding security and privacy as crucial elements of a comprehensive, strategic, and continuous risk-based program at Federal agencies. ICT acquisition planning must align with this strategic framework by treating information as a valuable strategic resource requiring comprehensive lifecycle management.

- **Align acquisitions to the agency's technology roadmap:** Align the procurement to the agency's strategic technology roadmap that extends beyond immediate needs. This approach permits the agency to plan systemically for technology evolution, integration requirements, and capability maturation over time. This planning helps prevent isolated, incompatible systems and reduces total ownership costs by facilitating smoother technology transitions throughout the lifecycle. Where practical and appropriate, technology roadmaps may rely on integration with shared services that scale cost savings and value across larger Federal technology infrastructure and platforms. To ensure alignment with your agency's technology roadmap, the acquisition planner should coordinate with your agency's Chief Information Officer's Office (or similar). The agency CIO plays a central role in ensuring ICT acquisitions align with enterprise architecture, information governance policies, and strategic technology planning as mandated by A-130's framework for managing information as a strategic resource.
- **Integrate Federal information governance requirements:** ICT acquisitions must incorporate the comprehensive information governance framework established by OMB Circular A-130. This includes ensuring acquisitions support the agency's information lifecycle management, from creation and collection through processing, dissemination, and disposal. Acquisition planning should address how proposed systems will contribute to the agency's strategic information management objectives, enable appropriate information sharing, and support data-driven decision making while maintaining security and privacy protections throughout the information lifecycle.
- **Implement continuous risk-based security and privacy management:** OMB Circular A-130 emphasizes the role of both privacy and security in the Federal information life cycle through a continuous, risk-based approach rather than periodic compliance exercises. ICT acquisition planning must incorporate security and privacy considerations from the earliest planning stages, ensuring that systems are designed with appropriate safeguards and can adapt to evolving threats and requirements. This includes conducting Privacy Impact Assessments (PIAs) when acquiring systems that handle personally identifiable information and implementing the Risk Management Framework throughout the system development lifecycle.
- **Consider non-functional requirements:** Balance functional capabilities with critical non-functional requirements: security, scalability, interoperability, maintainability, accessibility, and performance metrics. These requirements often determine whether a system will not only meet user needs, but also integrate with enterprise architecture and remain viable throughout its lifecycle. Clearly articulating non-functional requirements in



solicitations helps vendors propose appropriate solutions and prevents expensive modifications later.

Being familiar with key statutory requirements related to the acquisition of ICT is critical to a compliant acquisition. In addition to FAR part 39, it is important to be familiar with prohibitions as they pertain to the acquisition of ICT detailed in FAR part 40. Further applicable guidance, such as that related to the Federal Information Security Management Act (FISMA) or Section 508 of the Rehabilitation Act of 1973, can be found on [CIO.gov](https://www.cio.gov), [Section508.gov](https://www.section508.gov), and the [National Institute of Standards and Technology Information Technology page](https://www.nist.gov) (e.g., Federal Information Security Management Act (FISMA) requirements). Information pertaining to statutorily required purchasing programs relevant to ICT can be found on the [statutory purchasing programs page](#).

FC39.001(a)(2) Streamlined timeline techniques.

Accelerating the acquisition timeline ensures that implemented solutions remain technologically relevant and meet current mission needs. These techniques maintain procurement integrity while eliminating unnecessary delays that can undermine program success.

- **Streamlined source selection.** Design evaluation processes that enable award decisions within 180 days or less from solicitation release. Techniques include limiting proposal page counts; focusing on differentiating evaluation factors; using oral presentations, demonstrations, or other real-time assessments to replace written portions of the proposal; and implementing concurrent rather than sequential evaluation phases. Establish dedicated review teams with scheduled evaluation sessions rather than rely on part-time evaluators. These approaches maintain thoroughness while eliminating unnecessary delays that can render solutions outdated before implementation begins.
- **Consensus-only documentation.** Implement a streamlined consensus approach that eliminates individual evaluator write-ups in favor of direct team consensus documentation. This technique reduces administrative burden and timeline by having evaluators first discuss their assessments collaboratively, then document only the team's consensus findings. Instead of detailed narratives for each proposal, focus on capturing discriminating factors between proposals and clear reasons for ratings (or rankings). This approach can cut weeks from the evaluation timeline while improving evaluation quality through collaborative assessment that uses the entire team's expertise.
- **Agile acquisition techniques.** Apply agile principles to the acquisition process itself, not just the development methodology. Break the procurement into smaller, more manageable chunks with shorter timelines. Consider techniques like rolling admissions for vendor qualification, regular on-/off-ramping for multiple-award vehicles, and streamlined ordering procedures for prequalified providers. Capture lessons learned and continually refine acquisition approaches based on results. This creates a more responsive procurement system that can adapt to changing technology and mission needs.

FC39.101 Management of ICT contract risk.

Information and communication technology acquisitions present unique challenges that can significantly impact mission success and taxpayer value. Unlike traditional procurements, ICT projects involve rapidly evolving technologies, complex integrations, and cascading



dependencies that can create costly problems if not properly managed. Effective risk management enables agencies to identify potential issues early and respond proactively, protecting against cost overruns, schedule delays, technical obsolescence, and solutions that fail to meet user needs.

Modern ICT acquisitions face new risks beyond traditional concerns. Schedule risks may include Artificial Intelligence (AI) integration delays and supply chain disruptions. Cost risks often stem from evolving cybersecurity requirements and frequent technology updates. Technical risks have grown with AI implementations where agencies may lack expertise to evaluate performance or detect bias. Contract decisions typically involve balancing AI security, federal design requirements, and third-party vendor risks, while AI systems can face data poisoning attacks. These challenges tend to multiply when agencies manage multiple high-risk projects with limited oversight resources.

Effective acquisition risk management often combines proven contracting techniques with modern planning approaches. Acquisition planning should consider the government's "realistic" plan B in the event a contractor fails to perform. Modular contracting can help manage such risk. Modular contracts can also break complex IT projects into smaller, manageable increments that deliver value while reducing overall risk exposure. Agencies may benefit from thorough acquisition planning that coordinates program, financial, and contracting perspectives early in the process. Many find success incorporating specific contract language for AI governance, cybersecurity attestations, and vendor risk assessments. Prototyping line items or contract structures can allow testing of technical approaches before committing to full-scale implementation. Outcome-focused contracting that emphasizes collaboration between government and contractor teams helps ensure both parties work together toward mission success rather than simply meeting contract specifications.

FC39.102 Modular contracting.

Breaking down initiatives into manageable components reduces risk while increasing flexibility, competition, and opportunities for innovation. These strategies enable incremental capability delivery while maintaining system coherence and preventing vendor lock-in. Modular contracting is especially critical for piloting, learning from, and iterating with emerging technologies.

- **Managing complex requirements.** Prioritize logical separation of concerns, well-defined interfaces, and appropriate data exchange standards. This approach reduces risk by allowing incremental delivery and creating more opportunities for small, emerging technology business participation.
- **Implementing modular contracting.** Structure acquisitions into separate, interoperable modules rather than monolithic systems. This approach, consistent with FAR 39.102, enables incremental development and deployment of functionality, reduces risk exposure, and increases opportunities for innovation. Establish a family of contracts with complementary scopes that can be awarded to different contractors while maintaining integration. This strategy prevents vendor lock-in while providing flexibility to adopt new technologies or approaches for individual modules.

FC39.103 Outcome-based contracting.

Outcome-oriented strategies align contractor success with agency mission achievement. They



encourage partnership between the government and the contractor focused on timely and quality mission delivery.

- **Outcome-based contracting.** Focus on what you need to achieve rather than dictating how vendors should deliver results. This approach gives commercial providers the flexibility to apply their expertise, innovation, and best practices to meet your mission needs. Instead of specifying exact methodologies, technologies, or labor categories required, define clear performance standards, metrics, and desired outcomes.

This approach encourages vendors to propose creative solutions and allows them to use their commercial capabilities more effectively. The result is often better value and solutions that benefit from ongoing commercial innovation and improvement.

- **Partnerships in the process.** Focus on developing mutual trust and a shared sense of ownership for successful delivery between government and industry. Build relationships so both parties can align their financial and non-financial incentives to deliver better outcomes for the public.

Building these transparent relationships helps offerors trust the government acted fairly if they didn't win the award and encourages them to compete again next time.

- **Performance metrics alignment.** Develop meaningful performance metrics that directly connect to mission outcomes rather than technical specifications. Effective metrics focus on user experience, business process improvement, and mission capability enhancement rather than system characteristics alone. Structure contracts to include incentives tied directly to these outcome-based metrics, rewarding contractors for exceeding targets and addressing performance shortfalls when metrics aren't met. Recognize the role of the government team to support the outcomes and partner to achieve the mission. This approach keeps both government and contractor teams focused on delivering real mission value.

FC39.70 Innovative solicitation approaches.

Modernizing solicitation practices make it easier for government and industry partners to communicate more clearly and understand each other more deeply. Innovative solicitation approaches like challenge-based acquisitions, simplified pitches, and rapid feedback loops help attract tech startups and new market entrants. These methods reduce barriers, spark fresh ideas, and make it easier for emerging companies to bring cutting-edge solutions into the government space.

- **Pre-proposal discovery sessions.** Schedule one-on-one discovery sessions after solicitation release, but before proposal submission, to clarify requirements and answer vendor-specific questions. Conduct these sessions after an appropriate down-select process to minimize burden and focus time efficiently. These sessions allow vendors to explore their unique solution approaches while learning about agency needs. To maintain fairness, establish clear ground rules prohibiting discussions of pricing, ensure consistent time allocations for all offerors, and document session protocols in the solicitation. These interactions result in complete proposals that better address agency



requirements and result in fewer assumptions and exceptions in proposals.

- **Oral presentations.** Add oral presentations to the evaluation process to assess vendor understanding, team capabilities, and solution approaches more effectively than written proposals alone. Structure these as scenario-based problem-solving exercises where the vendor might best show their approach to realistic challenges. This technique provides valuable insights into how teams think and work together while reducing proposal preparation burden and potential AI bias.
- **Technical demonstrations and challenges.** Request working prototypes or technical demonstrations that show vendors' actual capabilities rather than promised functionality. Establish technical challenges that all offerors address under consistent conditions, allowing side-by-side comparison of approaches and capabilities. This method reduces reliance on written claims and provides evidence of technical competence and innovation potential. However, in structuring technical demonstrations and challenges, it is important to understand the level of effort they require for industry partners, especially small businesses. Therefore, ensure the approach is appropriately structured based on the complexity, value and importance of the requirement. Regardless, ensure the evaluation criteria clearly communicate how demonstrations will influence award decisions.

FC39.70 Evaluation and negotiation innovations.

Modern evaluation approaches recognize that success depends on people, capabilities, and contractual commitments more than written proposals or corporate history. These techniques help agencies identify partners with the right capabilities and motivations for project success. Examples of these or similar techniques are described in the [Periodic Table of Acquisition Innovations \(PTAI\)](#).

- **Phased down-select processes.** Consider multi-phase evaluation processes that progressively narrow the competitive field through increasingly detailed assessments. Initial phases might evaluate high-level solution approaches and team qualifications, while later phases examine technical details, pricing, and implementation plans from down-selected offerors. This approach reduces the proposal preparation burden for industry while allowing agencies to focus evaluation resources on the most promising solutions. It particularly benefits IT acquisitions where in-depth technical evaluation (for instance, of coding challenges or demonstrations) may be more resource intensive.
- **Evaluate team capabilities.** Assess the specific capabilities the team brings to the contract. Request demos of team problem-solving abilities through technical challenges, interviews, or scenario-based exercises. This approach recognizes that in rapidly evolving technology areas, the specific knowledge and adaptability of the team members matter. Consider how you structure the contract and incentives that maintain strong teams under contract performance.
- **Look beyond contract dollars equating to experience.** When evaluating a contractor's experience, don't simply use the size of past contracts or the length of a contract as measures for how a contractor may perform on your requirement without understanding what you might lose out on.
- **Negotiate performance commitments into the offer.** During negotiations, transform vendor claims into contractual commitments with associated metrics and acceptance



criteria—turn them from promises into part of the contractually binding offer you accept. In today's AI-enhanced proposal environment, written claims are increasingly polished but may not reflect actual capabilities. In negotiations, test the depth of vendor understanding and willingness to stand behind their assertions. Consider implementing proof periods with defined acceptance criteria before full deployment under contract. This approach protects the government from exaggerated capabilities while giving vendors appropriate flexibility in implementation approaches.

Part 40 - Information Security and Supply Chain Security

FC40.1 Integrate security throughout the acquisition lifecycle.

For acquisitions involving sensitive information (e.g., controlled unclassified information, classified information) or at higher risk of violating a security exclusion or prohibition (e.g., telecommunications, video surveillance, unmanned aircraft systems, foreign acquisitions), expanding the acquisition team proves valuable.

A cross-functional acquisition team composition, with roles such as those detailed in the table below, ensures comprehensive security expertise throughout the acquisition lifecycle for protecting sensitive information and implementing security prohibitions and exclusions.

Role/Position	Subject Matter Expertise	Key Contributions
Chief Information Security Officers (CISOs) or Representatives	Cybersecurity	Bring cybersecurity expertise to requirement development and proposal evaluation
Supply Chain Specialists	Logistics and Industrial Security	Offer insights on manufacturing risks and component authenticity verification methods
Legal Counsel	Regulations, Export Controls, Foreign Ownership	Help navigate complex regulatory landscapes with expertise in export controls and foreign ownership restrictions
End Users	Operations	Contribute practical perspectives on security usability
IT Technical Evaluators	Hardware Engineering	Assess hardware tampering vulnerabilities
Program Managers	Program Portfolio	Help ensure interoperability with existing security architecture

This diverse team composition ensures comprehensive security expertise throughout the acquisition lifecycle for protecting sensitive information and implementing security prohibitions and exclusions.



For higher risk procurements, acquisition teams can enhance security outcomes for these critical acquisitions by incorporating appropriate controls at key decision points across the acquisition lifecycle.

For instance, during market research, teams can gather intelligence on vendor security practices, component origins, and manufacturing processes to inform requirements development.

When drafting requirements involving information and communications technology, teams should consider building in additional security that requires offerors to demonstrate they do not pose significant supply chain risks that could adversely affect contract performance. Such language in the requirements enables teams to evaluate supply chain risk information provided by the offeror to the government, along with any other government data sources, to assess the overall supply chain risk as part of the minimum requirements for the procurement. Supply chain risk information can include:

- Foreign control of, or influence over, a source, product or service (e.g., foreign ownership, personal and professional ties between a source and any foreign entity, legal regime of any adversary in which a source is headquartered or conducts operations)
- Functionality and features of awarded products and services, including access to data and information system privileges;
- The ability of a source to produce and deliver products and services as expected;
- Any other considerations that would factor into an analysis of the security, integrity, resilience, quality, trustworthiness, or authenticity of products, services or sources; and
- The offerors' capacity to mitigate identified risks.

In the solicitation phase for high risk or high dollar value procurements, including evaluation criteria that reward vendors offering enhanced visibility into their supply chains and security architectures encourages industry to prioritize these elements.

During responsibility determinations, supply chain risks can be considered as part of the general standards in FAR 9.104-1 when determining whether offerors have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them.

Postaward administration presents opportunities to implement ongoing verification activities, such as random sampling of delivered items, regular code reviews, or security testing to verify compliance with contract requirements, including applicable FAR clauses (e.g., country of origin for Trade Agreements Act compliance, 15 controls within FAR 52.204-21). When contracts include requirements to mitigate supply chain risks, it is essential to continuously monitor contractor performance to identify and respond to any new and evolving threats during the contract period. If new supply chain risks are identified during contract performance, assess the severity and potential impact on the government. Based on the assessment, appropriate actions may include but are not limited to requiring corrective action, deciding not to extend the period of performance, withholding the exercise of option periods, or pursuing contract termination to protect government interest and maintain supply chain integrity.



Contract closeout offers valuable data collection points, documenting security performance to inform future acquisitions.

Part 43 - Contract Modifications

Reserved.

Part 46 - Quality Assurance

Reserved.

Part 49 - Termination of Contracts

FC49.002 Termination of commercial products or services contracts awarded under FAR part 12 or contracts awarded under FAR part 13.

FAR part 49 does not apply to contracts for commercial products or commercial services awarded under FAR part 12. While FAR part 49 can be used as guidance, the procedures for termination for the government's convenience and termination for cause are provided under FAR 12.403 and FAR 52.212-4(l) or (m) for commercial products and commercial services; or FAR 52.213-4(f) or (g) for simplified acquisitions for other than commercial products and commercial services.

FC49.1 Use of the cost principles.

The cost principles and procedures in the applicable subpart of FAR part 31 should, subject to the general principles in FAR 49.201, be used to assert, negotiate, or determine costs relevant to termination settlements under contracts with other than educational institutions. They should also be a guide for negotiating settlements under contracts for experimental, developmental, or research work with educational institutions (see FAR 31.104).

FC49.108-2(c) Government assistance in settling subcontracts.

In unusual cases, the termination contracting officer (TCO) may determine, with the consent of the prime contractor, that it is in the government's interest to assist the prime contractor with settling a particular subcontract. In these situations, the government, the prime contractor, and a subcontractor may enter into an agreement covering the settlement of one or more subcontracts. In these settlements, the subcontractor is paid through the prime contractor as part of the overall settlement with the prime contractor.

FC49.404 Completion by another contractor.

If the surety does not arrange for completion of the contract, the contracting officer may arrange for completion of the work by awarding a new contract based on the same plans and specifications. The new contract may be awarded by using any appropriate contracting method or procedure.



Part 50 - Extraordinary Contractual Actions and the SAFETY Act

FC50.205-2 SAFETY Act pre-qualification designation notice - requiring activity responsibilities.

If the program office or requiring activity determines that the technology to be acquired may qualify for SAFETY Act (the Support Anti-terrorism by Fostering Effective Technologies Act of 2002) protection, the program office or requiring activity is responsible for requesting a pre-qualification designation notice from DHS. A request for a pre-qualification designation notice should be made once the requiring activity has determined that the technology specifications or statement of work are established and are unlikely to undergo substantive modification. DHS will then determine whether the technology identified in the request either affirmatively or presumptively satisfies the technical criteria for SAFETY Act designation. The notice will authorize offerors to (i) Submit a streamlined application for SAFETY Act designation; and (ii) Receive expedited review of their application for SAFETY Act designation. Requests should be made at <http://www.SAFETYAct.gov>. Upon receipt of the pre-qualification designation notice from DHS, the program office or requiring activity should submit the documentation to the contracting officer for inclusion in the presolicitation notice.

Part 51 - Reserved

Reserved.