



Understanding the Government Solicitation Bid Package



Identify key attributes of
the government solicitation
bid package

Learning Objectives

At the end of this module, you will be able to:

- Identify the elements of a government solicitation bid package.
- Respond more effectively to government solicitations.

About FDIC Small Business Resource Effort

The Federal Deposit Insurance Corporation (FDIC) recognizes the important contributions made by small, veteran, and minority and women-owned businesses to our economy. For that reason, we strive to provide small businesses with opportunities to contract with the FDIC. In furtherance of this goal, the FDIC has initiated the FDIC Small Business Resource Effort to assist the small vendors that provide products, services, and solutions to the FDIC.

The objective of the Small Business Resource Effort is to provide information and the tools small vendors need to become better positioned to compete for contracts and subcontracts at the FDIC. To achieve this objective, the Small Business Resource Effort references outside resources critical for qualified vendors, leverages technology to provide education according to perceived needs, and offers connectivity through resourcing, accessibility, counseling, coaching, and guidance where applicable.

This product was developed by the FDIC Office of Minority and Woman Inclusion (OMWI). OMWI has responsibility for oversight of the Small Business Resource Effort.

Executive Summary

When the government wants to buy a good or service, it issues a solicitation. Solicitations are documents that make the government's requirements clear so that businesses can submit competitive bids. Request for Proposals (RFPs) are one type of solicitation used by government agencies. With rising competition, more and more private sector organizations are using RFPs. Public and private sector businesses request responses to RFPs in order to compare different vendors and evaluate different options to ensure they are receiving the best available solution.

As a small business doing work with the government, you'll be responding to solicitations. A solicitation bid package is an often complicated document (or set of documents) to which you develop a responsive proposal. The format and composition of bid packages is mandated by law. They are typically broken down into several sections identified by an alphanumeric letter (A through M). Knowing what's in this package can help you prepare and assemble the appropriate information and documentation together.

When it comes time to respond to a solicitation, you'll want to be ready because an effective and competitive response is critical to winning new business. The following module highlights key elements

of the government solicitation bid package to an RFP so you can be successful at understanding the contents and winning the contract.

Understanding the Government Solicitation Bid Package

If you're in charge of drafting a response to a solicitation, you'll need to correctly understand the government's requirements and write a response that promotes your organization's skills and expertise. The government solicitation you receive will likely be one of the following:

- **Invitation for Bid (IFB):** This is a sealed bid and is considered complete. Price is a major factor in IFBs. The bidder is required to sign and submit a Standard Form 33 (SF 33) or Standard Form 1449 (SF 1449) for simplified acquisition procedures. Once the government agency signs the appropriate form, the contract becomes binding.
- **Request for Proposal (RFP):** This is a negotiated contract where further discussion may take place after the proposal is submitted. The bidder may have the opportunity to change pricing or technical requirements. A SF 33 or SF 1449 must be signed and submitted. Once the government agency signs the appropriate form, the contract becomes binding.
- **Request for Quote (RFQ) or Request for Information (RFI):** This is typically for information purposes only and is not a binding document. The RFQ/RFI may request pricing information, but the government typically requests further discussion regarding any information obtained.

For the purposes of this module, we will discuss Request for Proposals (RFPs). RFP responses can be an extremely time-consuming and cost-laden process. The typical RFP is a significantly verbose document that reads like a legal text, and has very specific requirements. Regardless of the government agency, your proposal will be considered responsive if you give the agency complete information presented in the manner requested and show that you can meet its needs effectively and efficiently.

Most federal government RFP formats are mandated by the Federal Acquisition Regulation (FAR), the principal set of rules and regulations through which the government purchases or acquires goods and services. Basically, the FAR defines what must be included in an RFP and determines the RFP structure. Applicable FAR rules and regulations will be stated in the corresponding RFP section. If you are new to the RFP bidding process, make sure you read and thoroughly understand the requirements of the submission process. You may be disqualified for submitting a noncompliant response. It will help you to know how the typical federal government RFP is broken down into the following sections:

- Section A. Information to Offerors or Quoters
- Section B. Supplies or Services and Price/Costs
- Section C. Statement of Work (SOW)
- Section D. Packages and Marking
- Section E. Inspection and Acceptance
- Section F. Deliveries or Performance

- Section G. Contract Administrative Data
- Section H. Special Contract Requirements
- Section I. Contract Clauses/General Provisions
- Section J. Attachments, Exhibits
- Section K. Representations/Certifications and Statements of Offerors
- Section L. Proposal Preparation Instructions and Other
- Section M. Evaluation Criteria

Understanding each section prior to preparing your first RFP response will certainly save you time. Also note the FDIC, because it is an independent agency, may sometimes differ from other government agencies in its RFP requirements.

Section A. Information to Offerors or Quoters

This section identifies the title of the procurement, procurement number, point of agency contact (POC), how to acknowledge amendments, and how to indicate “No Response” if you decide not to bid. This section often appears as a one page form, such as Standard Form 33 (SF 33) or Standard Form 1449 (SF 1449) for simplified acquisition procedures. Once the bidder and the Contracting Officer sign the appropriate form, the contract becomes binding.

Section B. Supplies or Services and Price/Costs

This section is where you provide pricing information. It defines the type of contract, identifies Contract Line Items (CLINs), Subcontract Line Items (SLINs), and all other billable items. Proposers often respond to this section in tabular form using the cost and pricing guidelines. In some cases, this section will include the number of hours needed per year, per person, as well as the level of resources needed, such as Program Manager.

This section identifies all billable items, describes the period of performance, and discusses potential option periods (if any). The total hours shown in *Section B* are typically estimates only and actual hours worked may be more or less. The primary focus is to ensure that proposed hourly rates will be valid no matter how many hours are worked.

If you have made assumptions when preparing your pricing information, make sure you document these assumptions in your RFP response.

Section C. Statement of Work (SOW)

The Statement of Work (SOW) describes what the government agency wants you to do or supply. Outside of *Section B. Supplies or Services and Price/Costs*, most of your proposal will be responding to

this section. **It is important to list every item on the required SOW in your response and state how you will deliver what is needed.**

When responding to the SOW, don't be afraid to be redundant and don't assume the proposed agency already knows the SOW. *Section C* is an opportunity to insert your business name as the "respondent" and reinforce that you will provide the services requested. You can also create a supporting section to highlight your approach to delivering on the listed SOW and illustrate your firm's capabilities to the agency.

Section D. Packages and Marking

This section defines how all contract deliverables, such as reports and material, will be packaged and shipped or delivered. It includes specific instructions regarding timing, location, and delivery details for the product or service requested in the RFP. Once you have successfully won the contract and you are preparing or developing your product or service, keep in mind the government agency's packaging and marking requirements. Depending on the deliverable, these requirements may increase your costs and require logistical planning, i.e., shipping/delivery charges, packaging/crating, set-up, break down, clean-up, etc.

Make sure you pay attention to and follow all instructions in the RFP for required markings. "Markings" are the information provided on the packing list or shipping document and generally include:

- Contract number;
- Task order number;
- Name and address of the consignor;
- Name and address of the consignee;
- Government bill of lading number covering the shipment (if any); and
- Description of the item/material shipped, including item number, quantity, number of containers, and package number (if any).

Section E. Inspection and Acceptance

This section identifies the tasks the contractor must be prepared to undertake and describes the process by which the government officially accepts deliverables and what will happen if the work is not accepted. Typically, the Oversight Manager can inspect and test the goods and services at any time and place during the term of the award.

The government typically reserves 10 business days from the date of your delivery to decide if goods and services comply with the requirements of the contract. If they don't, the agency can require you to re-perform the services or redeliver the goods in conformity with the requirements of the award, at no additional increase in total contract amount.

If the issue is not corrected when you re-perform the services, then the government can (1) require you to immediately take all necessary steps to ensure future performance of the services in conformity with the requirements of the contract; and (2) reduce your contract price to reflect the reduced value of the services performed. In extreme cases, the agency can have another firm perform the services or deliver the goods and charge associated costs to you.

Section F. Deliveries or Performance

This section defines how the Contracting Officer will control the work performed and how you will deliver certain contract items. This section:

- Defines the term of the base contract and states any options to extend the term of the contract.
- Addresses clauses incorporated by reference including the place of Delivery or Performance, which is typically the agency site although some work may be performed at the contractor location depending on the contract.
- Highlights specific deliverables stated in the contract and expected by the agency within a certain time period.
- Lists the Period of Performance for each phase of the contract.
- Indicates what the contractor should do in the event they have difficulty in meeting performance requirements, or if they anticipate difficulty in complying with the contract delivery schedule or completion date.
- Provides details regarding what should be included in and the due dates for contract status or activity reports. These may include subcontracting or small business plan reports.

In most cases, you are required to maintain an acceptable inspection system for the goods or services you deliver or perform under the contract. Records of your inspections need to be complete and available to the agency during the term of the award or for as long as the agency specifies.

Section G. Contract Administrative Data

This section describes how the Contracting Officer and your firm will communicate to ensure both performance and prompt payment. This section typically incorporates other clauses by reference, and you will be required to perform the services, or provide goods according to all terms and conditions set forth.

Specific areas under the Contract Administrative Data section include:

Agency Personnel

- **Contracting Officers.** Contracting Officers have the exclusive authority to enter into, administer, and terminate contracts. They:
 - Make sure that contracting is efficient and effective,

- Ensure compliance with the terms of contract,
- Protect the interests of the agency in all of its contractual relationships, and
- Have latitude to exercise sound business judgment based on the competitive and business needs of the agency.
- **Oversight Managers.** Oversight managers have daily interaction with contractors. They:
 - Manage the technical performance requirements of the contract,
 - Ensure that the contractor delivers the required goods or performs the work according to the delivery schedule in the contract, and
 - Monitor the funds spent in the contract in relation to its ceiling.

Method of Payment

The federal government has prompt payment rules that require most payments to be made by Electronic Funds Transfer (EFT). Some important points to note about EFT payments:

- Sole proprietors can get hardship waivers for EFT.
- Agencies may collect EFT information when they award a contract.
- If you certify in writing to the Payment Office that you don't have an account with a financial institution or an authorized payment agent, the federal government will use a different payment method. Payment methods by the federal government may be made by check or by a third party in lieu of payment directly from the federal government, at the option of the federal government.

Compensation Ceiling

The federal government typically includes a contract ceiling in the contract or a task order Not-to-Exceed amount. You will not be compensated for costs and expenses that go over these ceilings or Not-to-Exceed amounts. However, you may have option periods where the contract may either be extended or funded for another defined term. In any case, you need to notify the Contracting Officer, in writing, when you have incurred charges amounting to seventy-five percent (75%) of the ceiling amount for each performance period.

Contents of Invoice

Your invoices must include the following items to be processed for payment:

- Contractor name, address, and phone number.
- Invoice date. (Contractors must date invoices as close as possible to the date of electronic transmission to the federal government).
- Invoice Number.
- Contract Number (e.g., Contract Number, Task Order Number, Delivery Order Number, etc.).
- Line Item Number(s), as identified in the contract and the amount invoiced for each Line Item Number.
- Allocation of all hours and expenses to Financial Institution Number (FIN) and Asset Name/Number, if applicable.
- Description, quantity, unit of measure, unit price, and extended price of goods delivered or services performed.
- Total invoice amount.

- Payment terms (including any discounts for prompt payment terms).
- Remittance address.
- Billing Point of Contact (e.g., name (where practicable), title, phone number, and mailing address of person to notify about questions regarding the invoice).
- Shipping information (e.g., shipment number, date of shipment, bill of lading number, and weight of shipment).
- Shipping charges, if any, shown as a separate item on the invoice.
- A statement signed by an authorized business representative that states: "This is to certify that the services set forth herein [goods described herein] were performed [delivered] during the period stated."
- If travel expenses are reimbursable under the award, submit travel documentation, receipts, and other proof of expenses as required by the Federal Contractor Travel Reimbursement Guidelines.
- For time and material or labor hour awards, include copies of time sheets in support of direct labor charges.
- If subcontractor expenses are reimbursable under a labor-hour or time-and-material award, you must:
 - Identify subcontractor expenses and costs separate from prime contractor expenses and costs on the invoice the prime contractor submits to the federal government.
 - Submit with your invoice, as supporting documentation, a copy of your subcontractor's invoice when seeking reimbursement of subcontractor expenses.
- Any other information or supporting documentation required by the award.

The government will return an invoice if it doesn't have the required information, contains errors, or exceeds the total compensation ceiling limit for your award. Payment will be delayed until you correct the invoice.

In addition, you need to maintain current information in the System for Award Management (SAM) database. The government may reject invoices if you have not maintained your registration, including Electronic Funds Transfer (EFT) information, in the SAM database.

Electronic Invoice Preparation and Submission

You are required to follow the federal government's electronic invoice preparation and submission instructions stated below:

- For the FDIC, you must email electronic invoices to the Division of Finance/Accounts Payable (DOF/AP).
- For the FDIC, you are required to only email your invoices to the DOF/AP email address, and not to the Oversight Manager (OM) or Contracting Officer. Contractors are often surprised to learn that the federal government will not accept hand-delivered invoices or invoices sent to any other address.

- You are typically required to submit the electronic invoice as a single file document, in pdf format. Invoice files are often uploaded into a central repository database; therefore, only one file associated with an invoice will be accepted. However, there are also size restrictions for a single pdf file exceeding 30 MB. The invoice may either be submitted as two pdf files, with neither pdf file exceeding 30 MB, or it may be submitted as a zip file that does not exceed 30 MB.
- You can't include more than one electronic invoice in the same email. (For example, if a Contractor has four task orders, a separate email with a single invoice must be submitted for each of the four task orders.)
- Your email subject lines must include the words, "Contractor Invoice," followed by a hyphen and the Contract Number (or Task Order Number, or Delivery Order Number, as applicable), as shown in the following example: "Contractor Invoice - AZPHQ-50-C-1111."
- For contracts and task orders containing provisions for Task Assignments, you must send a separate invoice for each Task Assignment.
- Counting days for Prompt Payment begins on the date the invoice is received and accepted in the email inbox of the agency. Invoices received after the time specified will be counted as being received the following federal government workday.

Section H. Special Contract Requirements

This section contains a range of special contract requirements which can include: Key Personnel, Emergency Preparedness, Protecting Sensitive Information, Background Investigations, Risk Level Designation for the contract, and standard Post-Government Employment Certifications.

Key Personnel

You need to make key personnel available for performance under the contract as long as they are employed by your business. The Contracting Officer must authorize key personnel changes in writing before any new key personnel begin work on a project.

The government may require that you give a minimum of a 14-day advanced written notice to the Contracting Officer of any proposed substitutions of key personnel. This notice should:

- describe the reason for the proposed change;
- give the name of the proposed substituted individual with a description of educational and professional background; and
- include a completed background investigation questionnaire.

Deciding whether to accept proposed substituted personnel is at the sole discretion of the government.

Emergency Preparedness

Contract requirements for emergency preparedness cover services that are essential or critical to the federal government's mission. Key elements of emergency preparedness include immediate and

effective measures to ensure the availability or use of back-up services or systems to (1) manage the emergency, and (2) ensure uninterrupted support of the services or systems. These services or systems must be provided as long as the emergency persists.

Protecting Sensitive Information

The government must protect sensitive information during the course of project work, and has special requirements about confidentiality and data protection. Some key elements of protecting sensitive information are:

- Two forms of confidentiality agreements are typically required.
 - The authorized representative of the contractor must sign and deliver a business-level confidentiality agreement to the Contracting Officer with the signed contract at the time of award.
 - The contractor and all key personnel working on the contract each must also sign a confidentiality agreement no later than five (5) business days after starting performance and prior to receiving any sensitive information.
- Every federal government contractor (both prime and subcontractors) is expected to protect sensitive information including any Personally Identifiable Information (PII) to which they have access. Sensitive PII may comprise a single item of information (e.g., SSN) or a combination of two or more items (e.g., full name along with financial, medical, criminal, or employment information). **PII presents the highest risk of being misused for identity theft or fraud.** You'll need to comply with special contract requirements or risk loss of the contract, and you could face potential federal criminal charges if you don't comply.
- As a measure of controlling sensitive information, the federal government stipulates in *Section H* that all sensitive information, electronic and paper copy, remains the property of the federal government. If you move or copy sensitive information to your facilities or equipment, then you must store it separately from all non-federal government information. You'll need to return, erase, or destroy all sensitive information at the end of the contract or sooner, if requested by the Contracting Officer.

Background Investigations

You must undergo a background investigation if you:

- work onsite and have unescorted access to government offices or facilities;
- have access to government networks/systems; or
- work on contracts and other awards for services with a value greater than \$100,000, or on any contract or award at the discretion of the federal government.

The extent of the background investigation conducted is in correlation to the risk level assigned. Prior to getting a government identification/access badge and commencing work under the contract, you are

required to undergo both a fingerprint and a credit check. In addition, you may be subject to a background investigation based on the risk level assigned the contract. If any member of your team has a background investigation with an adverse finding, he or she can be excluded from working on the contract at the discretion of the Contracting Officer.

Risk Level Designation for the Contract

Every federal government position, including those of contractors, must be designated with a sensitivity level. As a contractor, you must meet personnel security/suitability standards commensurate with your position's sensitivity level, and you must be subject to personnel investigation requirements. There is usually a reinvestigation requirement for individuals in high risk positions, and those who have security clearances if they continue to have a need for access to classified information.

In addition, if the risk level of the contract mandates background investigations by the Office of Personnel Management (OPM), you must provide the Oversight Manager with the completed paperwork for all contractor and subcontractor personnel. This paperwork will allow OPM to begin its background investigation.

Risk levels (High Risk, Moderate Risk, and Low Risk) are established through an analysis of the duties and responsibilities of the positions, and their impact on agency mission. Each risk level requires a Minimum Investigative Requirement as recommended by the Office of Personnel Management (OPM):

- Low Risk – National Agency Check with Inquiries (NACI)
- Moderate Risk – Minimum Background Investigation (MBI)/Limited Background Investigation (LBI)
- High Risk – Background Investigation (BI)

Only personnel designated High Risk are subject to a Periodic Reinvestigation (PRI) which happens no later than five years after placement, and at least once every succeeding five years. If there is a change in position risk or sensitivity level, then you must meet the investigative requirements of the risk designation of the new position.

For Critical-Sensitive or Special-Sensitive positions, you will need an investigation completed before you are appointed. Investigations for low risk temporary personnel may require a fingerprint and tax records check. The government can establish more stringent requirements for any position with appropriate justification.

Post-Government Employment Certifications

If you plan to use a former federal government employee on your contract, then you typically need to complete and submit a post-government employment certification before that employee can work on the contract. Former government employees may be required to provide additional information about their responsibilities while employed at the agency, and as a post-government employee working on the agency's contract or subcontract.

Section I. Contract Clauses/General Provisions

This section identifies the contract FAR clauses incorporated by reference in the RFP. These clauses have the same force and effect as if they were given in full text and are incorporated into the contract. While this section doesn't require a separate response, its terms will be binding.

Governing Law

The contract is governed by federal law and will be construed accordingly. To the extent State law may apply, in the case where there is no applicable federal law, the State law that applies is the law of the State in which the federal government office executing the contract is located and it serves as the governing law.

Independent Contractors

The federal government retains independent contractors for the sole purpose of performing the services or providing the goods described in a contract. If subcontracting is permitted, then the term "Contractor" refers to both the contractor and all subcontractors at all levels. You must ensure that all subcontractors adhere to all of the terms and conditions of the contracts that have flow-down requirements.

Subcontracting Reporting

If subcontracting is approved under an award, you must submit a Subcontracting Report, on a semiannual basis, addressing the following for each subcontractor:

- Subcontractor's name, address, and DUNS number.
- Subcontractor's type of business concern: Minority- or Women-Owned Business (MWOB), Small Disadvantaged Business (SDB) (including ethnicity), or Veteran -Owned Business.
- North American Industry Classification System (NAICS) Code and corresponding geographic location of the subcontractor's place of performance.
- Period covered by report.
- Description of work performed by subcontractor during the report period.
- Total compensation paid to subcontractor cumulative to date.
- Percentage completion toward Subcontracting Plan goals.

Audit of Records

The federal government, through its Contracting Officer or designated representative(s), has the right to audit and examine your records and inspect your facilities in the following ways:

- **Examination of Costs:** The federal government agency can audit and examine your books and records, and your accounting procedures and practices, regardless of their form (e.g., machine readable media) or type (e.g., data bases, applications software, data base management software,).
- **Facilities Used For the Contract:** The federal government agency can inspect, at reasonable times, the facilities you use during performance of the contract.

- **Reports of the Contractor:** The federal government agency can audit and examine your books, records, other documents, and supporting materials.
- **Computer Data.** The federal government agency can audit your computer data. Your computer data retention and transfer procedures must maintain the integrity, reliability, and security of the original data.

All federal government contractors must retain the materials for an audit of records for a stipulated period of years following final payment under a contract, or for any longer period required by statute or other clauses in the contract.

Other clauses address required Liability Insurance before commencing work or permitting any subcontractor to commence work and Public Release of Contract Award and Advertising and Publicity Information.

Public Release of Contract Award and Advertising and Publicity Information

You (as contractor), your affiliates, agents, or subcontractors, and their respective employees:

- Cannot issue press releases or provide other information to the public regarding any federal government contract award.
- Are typically restricted from statements to the media or from issuing press releases regarding your or their services, under the contract.
- Cannot issue or sponsor advertising or publicity that states or implies that the federal government agency endorses, recommends, or prefers the contractor's services.
- Cannot use the agency's logo, or other material, without agency permission.

Section J. Attachments, Exhibits

This section lists all appendices to the RFP. These Attachments and Exhibits can cover a wide range of subjects ranging from technical specifications through statement of work items and labor categories required by the federal government. You should reference *Section J. Attachments, Exhibits* in your proposal by first reviewing and accepting stipulated contract clauses in the solicitation response, and then ensuring all appropriate signatures, including notarizations, are included in the solicitation response.

Section K. Representations/Certifications and Statements of Offerors

This section includes the elements that you must certify to bid on this contract, such as: you have acted according to procurement integrity regulations; your taxpayer identification; the status of personnel; ownership of your firm; type of business organization; authorized negotiators; that your facilities are not segregated; that you comply with affirmative action guidelines; and whether you qualify as a small

business, disadvantaged business, and/or women owned business, etc. The representations and certifications set out in federal government solicitations must be completed by an official authorized to bind the contractor, and must be returned with the proposal. They are legally binding.

Section L. Proposal Preparation Instructions and Other

This section provides instructions for preparing your proposal including:

- how your response should be organized by volume and what information should go into each volume (e.g., Volume 1 – Management Proposal, Volume 2 – Technical Proposal, Volume 3 – Cost Proposal, or Volume 4 – Past Performance);
- how to format the documents (e.g., font, page margins, and/or page limitation);
- the deadline for submitting questions regarding the RFP or procurement;
- how the proposal is to be delivered (e.g., Email or hard copy submission, address, number of originals and copies, etc.); and
- notices, conditions, or other instructions (e.g., FAR clauses applicable to this contract, subcontracting requirements for large businesses, submitting an Intent to Propose, etc.).

Section M. Evaluation Criteria

This section outlines how the agency will assess and evaluate the proposals it receives. This process usually includes reviewing and assessing the “mission capability” of each written proposal against the stated evaluation factors and sub-factors set forth in the solicitation. Mission capability ratings typically focus on strengths and weaknesses of the proposal and the extent to which proposed technical and management solutions fulfill the functional requirements. Points are assigned to the proposal according to its responsiveness and compliance with the RFP. Generally, evaluation criteria include:

- **Key Personnel:** The extent of qualifications and experience; demonstrated performance; communication as an integrated management team; and understanding of roles for all key personnel involved.
- **Organizational Structure and Management Approach:**
 - Approach to seamlessly perform the SOW (functional organization, lines of authority, roles and responsibilities, and interface with agency personnel).
 - Bidder’s strategy and approach towards use of small businesses in meaningful contract performance.
- **Technical Management Approach:** Bidder’s approach to managing and operating the contract.
- **Relevant Experience:** Similarity of previous work and extent to which bidder successfully performed.

- **Past Performance:** How well the bidder has performed work similar to that in the SOW.
- **Transition Plan:** Comprehensiveness, efficiency, and effectiveness of plan in order to provide smooth and orderly transition.
- **Cost and Fee:** Cost proposals will be evaluated with respect to reasonableness and realism.

Best Value Evaluation Process

The government also uses a Best Value Evaluation Process for some solicitation processes. Best value is, at some level, a subjective judgment, and it is not necessarily represented by the lowest price offered. Some facts about a Best Value Evaluation Process:

- The importance of price increases if several proposals are equally matched on other factors. When competing proposals are judged equal on other factors considered in the best value analysis, total price and other price factors become more significant.
- Price proposals are typically evaluated with respect to completeness, reasonableness, and realism. The Contracting Officer may also evaluate the Overall Evaluated Price (OEP) for each offeror. The Overall Evaluated Price (OEP) will typically be computed based on the total of the following:
 - The proposed labor rates for each labor category multiplied by the number of labor hours.
 - The federal government-reimbursed travel costs.
- Offerors must submit their proposed prices in accordance with the provided Pricing Schedule. Prices that are extreme (high or low) may be judged unreasonable. From the federal government's point of view, labor rates that do not reflect a reasonable compensation for the skill required in a labor category will be considered unrealistic and non-responsive.
- Offers should be as complete as possible; a proposal can be eliminated if it doesn't include a price for all mandatory labor categories.
- Offerors should have a reasonable price and the federal government will evaluate prices using one or more of the following techniques:
 - Comparing the proposed prices to those of other offerors.
 - Comparing the proposed prices to independent estimates and those in other contracts.
 - Comparing the proposed prices to the prices in the business' GSA Schedule or commercial price list.
- The federal government will base the award on an integrated assessment of the evaluation factors and sub-factors.

Key Takeaways from This Module

- With rising competition, vendor selection is becoming increasingly complex and more government organizations are using a solicitation response as a basis for comparison between different vendors to evaluate the best available option.
- A government solicitation bid package sets out the requirements for preparing a responsive proposal.
- Most federal government RFP formats are mandated by the Federal Acquisition Regulation (FAR). They are typically broken down into sections that are identified by section and letter (A through M).
- Government contracts contain a host of standard terms and conditions, called "clauses." Many of the clauses are, by regulation, non-negotiable. By reviewing all clauses in the solicitation package, you can assess your business' viability in submitting a responsive proposal.
- The federal government considers a bid responsive when a bidder has given the agency complete information required with no material exception taken from any requirements and sections outlined.

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