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A Dictionary of
Acquisition and Contracting Terms
by

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Submitted in partial fulfillment
of the requirements for the degree of

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ABSTRACT

This thesis is a continuation of research initiated by LCDR Daniel Ryan, SC, USN to establish a basis for defining words and terms used in the field of contracting. The ten terms selected for this thesis were synthesized from collected definitions, Government regulations and contracting literature and reviewed in some cases more than once by National Contract Management Association professionals in previous research efforts. This work differs from previous research in that it takes the terms from those efforts which generated significant diversity and refines them using a modified Delphi Technique. This research is a joint effort conducted by students at the Naval Postgraduate School, Monterey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Dayton, Ohio.

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I. INTRODUCTION

A. BACKGROUND

This thesis is part of a joint effort conducted by graduate students at the Naval Postgraduate School, Monterey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio, to derive definitions for words or phrases commonly used in the field of acquisition and contracting. This research is supported by the National Contract Management Association (NCMA), a professional association that will publish the consolidated research effort in the form of a dictionary of acquisition and contracting terminology.

The purpose of the dictionary is twofold. First, to provide an education tool to those unfamiliar with the acquisition and contracting process. Second, to provide a reference document for those who are working in or desire knowledge of the acquisition and contracting process.

A vital link in the ability to effectively communicate is a common language. Several individuals, organizations, commands and schools have attempted, with varying degrees of success, to develop such a language. However, until this ongoing research was established, no consolidated effort had been undertaken in this regard. The lack of a consolidated

effort has caused a disparity in the definition of terms. The objective of this thesis is to refine those definitions which generated substantial controversy in previous research with the ultimate goal of establishing a unified acquisition and contracting language.

B. PRIOR RESEARCH

Lieutenant Commander (LCDR) Daniel Ryan, Supply Corps (SC), United States Navy (USN) initiated the consolidation of baseline consensus definitions in 1988. In 1990, Lieutenant (LT) Robert Eric Wilson, SC, USN took terms from LCDR Ryan and three subsequent efforts that generated significant diversity and refined them using the Delphi Technique. Since then several other students have contributed to the effort initiated by LCDR Ryan. Each of these researchers synthesized approximately twenty-five terms which were provided to National Contract Management Association (NCMA) professionals for review and comments. The comments were analyzed and consolidated into consensus definitions.

This research effort is similar to the effort conducted by LT Wilson. However, it differs in that a modified Delphi Technique was expanded to include three rounds of questionnaires, and the sample size was increased to 500. In addition, the terms chosen to be refined included some terms which remained controversial after efforts to refine them.

In effect, the most difficult terms upon which to reach

consensus have been worked by three researchers and include at least six solicitations of comments for refinement from NCMA professionals.

C. SCOPE AND ASSUMPTIONS

The scope of this thesis is to refine the definitions of ten contracting terms that were considered to lack sufficient consensus to be included, as developed, in a professional dictionary. The basic assumption of this thesis is that there is insufficient agreement on the specific meaning of terms applied in the acquisition and contracting arena. Additionally, it was assumed that no single source of authoritative contracting definitions exists. A third assumption was that the consensus procedure used in previous research is the best method of arriving at acceptable baseline definitions. Finally, it was assumed that NCMA professionals had achieved the educational background and on-the-job experience necessary to possess a sufficient level of expertise to assess the definitions.

D. RESEARCH QUESTIONS AND OBJECTIVES

The research question addressed in this thesis is:

To what extent can standard meanings be arrived at in the evolving field of contracting in which words are used with various meanings?

Subsidiary research questions include:

1. What agreement can be reached from professionals in the field?
2. What definition of terms can be concluded from research and feedback?
3. Is the modified Delphi technique useful for fine tuning controversial acquisition and contracting terms?

E. RESEARCH METHODS

The objective of this thesis was to establish consensus definitions for ten controversial acquisition and contracting terms. To gain consensus for these terms, a modified Delphi technique was used.

A conventional Delphi technique is generally characterized by a small monitor team who designs a questionnaire that is sent to a larger respondent group. After the questionnaire is returned, the monitor team summarizes the results and then develops a new questionnaire for the respondent group. The respondent group is usually given at least one opportunity to reevaluate its original answers based upon examination of the group response. The technique is a combination of a polling procedure and a conference procedure that attempts to shift a significant portion of the effort needed for individuals to communicate from larger respondent group to a smaller monitor team. [Ref. 4]

This study included a panel of three researchers who examined three rounds of responses from a larger group. The respondent group consisted of 1,000 NCMA Fellows, Certified Professional Contract Managers (CPCMs) and Certified Acquisition Contracting Managers (CACMs); two groups of 500 participants each responded to five terms. The procedures of this study were as follows:

1. Generated a list of controversial terms from the previous theses, including those with less than 90% consensus from Lt. Wilson's rework of previous designated controversial terms.
2. Selected a manageable subset of terms for refinement for this study (a subset of 10 controversial terms were chosen).
3. Mailed an initial questionnaire containing five controversial definitions to 500 NCMA Fellows, CPCMs and CACMs. Mailed another questionnaire containing the other five controversial definition to another 500 NCMA Fellows, CPCMs and CACMs (see Appendix B). Respondents were asked to provide qualitative comments regarding the definition of the five terms.
4. Examined the qualitative responses from the respondents with the three panel members.
5. Arrived at a revised definition through dialog with the panel members and references to the literature. References included [Ref. 1] [Ref. 2] [Ref. 3] [Ref. 6].
6. Mailed a second questionnaire containing the revised definitions to the respondents of the initial questionnaire (see Appendix C). The second questionnaire not only requested qualitative comments but also included a five-point Likert scale to establish the degree of agreement/disagreement with the proposed definition.
7. Examined the quantitative responses. Then, repeated steps 4 and 5.

8. Mailed a third (final) questionnaire requesting comments and a response to a Likert scale regarding the proposed definition (see Appendix D).
9. Analyzed the questionnaire responses and arrived at consensus definitions for the 10 terms (See Appendix E).

The literature review and the organization of the study will be provided in the next two sections.

F. LITERATURE REVIEW

The literature review in this thesis was somewhat different than previous theses. Because the objective was to refine the controversial terms contained in previous efforts, the task of searching literature for definitions, glossaries, and usage of terms was limited to Federal Government procurement regulations, contracting and acquisition textbooks, as well as review of previous theses conducted in this research effort (References 1-7).

G. ORGANIZATION OF THE STUDY

Chapter I of this thesis provides background information and discusses the methodology and scope of the research effort. Chapter II is the first of two analysis chapters and deals with the results and analysis of the three rounds of questionnaires for the first group of five controversial terms. Chapter III focuses on the results and analysis of the three rounds of questionnaires for the second group of five controversial terms. Chapter IV concludes the research effort

by addressing the research and subsidiary questions, and providing general comments, conclusions and recommendations.

II. ANALYSIS OF RESPONSES - PART I

A. INTRODUCTION

This chapter deals with the results of the three rounds of questionnaires that were sent to 500 NCMA Fellows, CPCMs and CACMs. The questionnaire requested the respondent to comment on five controversial acquisition and contracting terms. The five terms defined in this chapter include: Adequate Price Competition, Ceiling Price, Component Breakout, Cost Analysis, and Constructive Change. The researcher with two other panel members analyzed the comments provided for each term using the criterion of improving the definition, either through content or enhancing the reader's ability to understand the term.

The format for this Chapter is as follows: Subsection "a" provides the original definition for the term. This original definition is the end product of previous graduate theses. Subsection "b" presents the quantitative results of the first questionnaire (n=500; 25.5% returned). The number presented for "agree as written" includes respondents who agreed without comment, provided positive comments which did not propose a change or supported definition, or suggested synonyms or antonyms without negative comments. The number presented for "disagree" includes respondents who offered constructive criticism, negative comments, or made any change to the

definition, synonyms or antonyms. Subsection "c" identifies the respondent's issues, representative responses, and the researcher's analysis. Subsection "d" proposes a revised definition based on the first responses.

Subsection "e" represents the quantitative results of the second questionnaire (n=126; 90.4% returned). Once again, the results include respondents who agreed or disagreed without comments, provided positive comments which did not propose a change or supported the definition, or suggested changes to the synonyms or antonyms. Subsection "f" identifies the respondent's issues, representative responses, and the researcher's analysis. Subsection "g" proposes a revised definition based on the second responses.

Subsection "h" represents the quantitative results of the third questionnaire (n=114; 88.5% returned). As before, the results include respondents who agreed or disagreed without comments, provided positive comments which did not propose a change or supported the definition, or suggested changes to the synonyms or antonyms. Subsection "i" identifies the respondent's issues, representative responses, and the researcher's analysis. Subsection "j" proposes a revised definition based on the final responses. Finally, a summary of the Chapter is provided.

B. TERM ANALYSIS

1. Adequate Price Competition

a. *Original Definition*

ADEQUATE PRICE COMPETITION

A condition which exists when two responsible original equipment manufacturers compete independently and submit responsive proposals, and there is no evidence that competition was restricted or that the lowest price is likely to jeopardize performance by the offeror.

Synonyms: None.

Antonyms: Sole Source.

b. *Results from First Iteration*

Agree as written 85 (67%)

Disagree 41 (33%)

c. *Issues*

The original definition generated a wide variety of responses. The major issue of concern was the use of original equipment manufacturers (OEM) in the definition. Some of the comments included:

- Why only OEM? Competition should not be limited just to OEMs.
- OEM is too restrictive. Replace with the word "contractors".
- Definition is too restrictive. Same term could apply to service contractors.
- Adequate price competition is not limited just to equipment manufacturers.
- Do not believe that the "original" manufacturers need to be in the definition. Could achieve adequate price competition with suppliers and dealers.

In an effort to clarify the term's meaning, "original

equipment manufacturers" was added to the original synthesized definition in a previous thesis process. However, these comments suggest that this addition did not clarify the definition, but instead confused the meaning of the term. For this reason, OEM is omitted from the revised definition.

d. Proposed Definition Based on the First Responses

ADEQUATE PRICE COMPETITION

A condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: Sole Source.

e. Results from Second Iteration

Strongly Agree	<u>70</u>	(61%)
Somewhat Agree	<u>16</u>	(14%)
Agree	<u>18</u>	(16%)
Somewhat Disagree	<u>6</u>	(5%)
Strongly Disagree	<u>4</u>	(4%)

f. Issues

The comments of the respondents indicated that the proposed definition improved upon the original definition-- from 67% agreement to 91%. Most of the respondents felt that the revised definition was much better than the original definition. The comments provided were very positive and did not change the basic meaning of the term. Some of the comments were:

- Revised definition is much better.

- Above is what I would term the "classical" definition.
- This definition presumes knowledge of the terms "responsible" and "responsive".
- Much better definition.
- Delete the word "priced".
- This definition is too simplified.
- Add "in a competitive environment" after the word "offerors".
- How does this differ from "effective competition"?
- The definition does not take into account the question of financial and technical responsibility and of responsiveness.
- Change the word "proposals" to "offers".

There was strong enough consensus on the last survey that further revision is unsupported and thus no changes were made to the definition.

g. Proposed Definition Based on the Second Responses

ADEQUATE PRICE COMPETITION

A condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: Sole Source.

h. Results from Third Iteration

Strongly Agree	<u>71</u> (71%)
Agree	<u>25</u> (25%)
Somewhat Agree	<u>2</u> (2%)
Somewhat Disagree	<u>2</u> (2%)
Strongly Disagree	<u>1</u> (0%)

i. Issues

The final round resulted in a very high degree of agreement (98%), but only a fair amount of comments. The majority of comments supported the respondent's position. One of the respondents felt that this definition would not be correct if the contractors were not located in the same general area. This is not a true statement. According to the Federal Acquisition Regulation (FAR) Part 15.8. Adequate Price Competition can be achieved despite the geographical location of the contractors. Many factors make up an offer. Contractors in the same general area may or may not be paying the same labor rates, or using the same overhead rates. Therefore, being located in the same general area does not guarantee Adequate Price Competition. Another respondent suggested that Single Source should be added to the definition as an antonym. This researcher does not agree with this suggestion. Although it takes more than one source to achieve an Adequate Price Competition, Single Source is not considered to be an antonym to this definition. Other comments received included:

- I strongly agree with this definition and would hope that the FAR, in all instances, reflects this wording.
- Add to the antonyms: Single Source.
- Strongly agree with this definition.
- Definition is straight to the point
- Definition is adequate. Nothing more is needed.

- Great Definition!
- How about offers? You did not address that.
- If the contractors are located in the same general area, then the above definition is correct.

There was strong enough consensus on the last survey that further revision is unsupported and thus no changes will be made to this definition.

j. Proposed Definition Based on the Final Responses

ADEQUATE PRICE COMPETITION

A condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: None.

2. Ceiling Price

a. Original Definition

CEILING PRICE

The maximum amount a customer is obligated to pay under a fixed-price type contract that calls for some cost-sharing, such as FPIF.

Synonyms: None.

Antonyms: None.

b. Results from First Iteration

Agree as written 39 (31%)

Disagree 87 (69%)

c. Issues

Although a majority of the respondents disagree with this definition, very few comments were provided. Some of the comments included:

- FPIF is not truly a cost sharing contract, although as to

the extent of fee it can work that way.

- The U.S. Army and other agencies have issued cost reimbursement contracts with a ceiling.
- An alternative definition might be - The maximum amount a buyer is obligated to pay (or a seller may receive) when definitizing a firm fixed price, cost plus base award, incentive or fixed fee on a contract.
- A better definition might be - The point at which the supplier incurs 100% of the cost to complete the contractual obligation.

The few comments received indicated that there seems to be some disagreement with the idea of a FPIF contract being a cost-sharing contract. To avoid confusion, the last part of the sentence was deleted.

d. Proposed Definition Based on the First Responses

CEILING PRICE

The maximum amount a buyer is obligated to pay under a fixed-price type contract.

Synonyms: None.

Antonyms: None.

e. Results from Second Iteration

Strongly Agree	<u>42</u> (37%)
Somewhat Agree	<u>20</u> (17%)
Agree	<u>25</u> (22%)
Somewhat Disagree	<u>17</u> (15%)
Strongly Disagree	<u>10</u> (9%)

f. Issues

The revised definition generated a wide variety of comments. Some of the comments provided were:

- Add "...and usually associated with incentive contracts

that specify a target price and sharing formula for profit at competition cost levels that are less than the ceiling price" to the end of the last sentence.

- There are some CPFF contracts that have ceilings.
- Some cost reimbursement contracts with LOGO clauses also have ceilings. Change "fixed-price" to "incentive fee".
- See FAR 16.301-1. There are some ceiling prices in cost type contracts.
- Ceilings are not limited to fixed-price contracts.
- The original definition is much better.
- Change the word "buyer" to the word "customer".
- A ceiling price is the maximum amount a buyer is obligated to pay under any type of contract.
- Revised definition still ignores the cost reimbursement contracts with a ceiling.
- "Ceiling" is a term that should be used for cost reimbursement type contracts.
- Revised definition is excellent!
- Other types of contracts can have a ceiling.

A majority of the survey respondents felt that the definition was too restrictive since it applied only to "fixed-price" type contracts. Since there may be instances where a ceiling price may be used besides a fixed-price type contract, the researcher was persuaded and thus made changes to reflect a more generic definition of the term.

g. Proposed Definition Based on the Second Responses

CEILING PRICE

The maximum amount a buyer is contractually obligated to pay a seller.

Synonyms: None.
Antonyms: None.

h. Results from Third Iteration

Strongly Agree	<u>60</u> (60%)
Agree	<u>30</u> (30%)
Somewhat Agree	<u>7</u> (7%)
Somewhat Disagree	<u>3</u> (3%)
Strongly Disagree	<u>1</u> (0%)

i. Issues

Agreement with the synthesized definition (97%) was high enough to indicate its acceptance as a valid definition for the term. However, the comments indicate that there is still some considerable confusion as to what type of contract a Ceiling Price applies. Since a Ceiling Price could apply to different types of contracts, the revised definition did not include a contract type. Other comments included:

- The original definition was better. The term "ceiling price" should only apply to fixed-price type contracts.
- The definition does not distinguish between ceiling price and fixed-price.
- I strongly agree with the revised definition. Ceiling price is usually used in other than fixed-price type contracts.
- You got it!
- It was my understanding that a "ceiling price" denotes a fixed-price type contract.
- Definition is too generic. It may be so basic that it may not be very useful.
- Right to the point!

- Not all contracts have a ceiling price.
- Add to the antonyms: Floor Price.

There was strong enough consensus on the last survey that further revision is unsupported and thus no changes were made to this definition.

j. Proposed Definition Based on the Final Responses

CEILING PRICE

The maximum amount a buyer is contractually obligated to pay a seller.

Synonyms: None.
Antonyms: None.

3. Component Breakout

a. Original Definition

COMPONENT BREAKOUT

An acquisition strategy to convert some items, usually parts or self contained elements of a complete operating equipment end item, from contractor furnished to Government purchased items.

Synonyms: None.
Antonyms: None.

b. Results from First Iteration

Agree as written	<u>53</u> (42%)
Disagree	<u>73</u> (58%)

c. Issues

The original definition generated a wide variety of comments. The main concern was over the use of the term "Government purchased". Some of the comments included:

- Replace the term "Government purchased" with the term "Government furnished".
- Disagree with definition. One application is Government

furnished, but "breakout" can also be used to get more competition and to get procurement away from the OEM.

- Replace the word "purchased" with the word "furnished".
- Add the words "...from the actual manufacturer of the component" to the end of the definition.
- This may be one way of looking at the definition, but I disagree with it.

The comments indicated that there was a wide variety of disagreement as to the exact application of the end item. Some of the respondents felt that the Government is not always the recipient of the item, and therefore can not furnish the item to anyone else. Further clarification of the term component is made in the synthesized definition.

d. Proposed Definition Based on the First Responses

COMPONENT BREAKOUT

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate delivery to the systems contractor.

Synonyms: None.

Antonyms: Component breakback.

e. Results from Second Iteration

Strongly Agree	<u>24</u>	(21%)
Somewhat Agree	<u>28</u>	(25%)
Agree	<u>37</u>	(32%)
Somewhat Disagree	<u>21</u>	(18%)
Strongly Disagree	<u>4</u>	(4%)

f. Issues

This definition generated many comments. Most of the comments referred to the use of "systems contractor" in the last sentence. Some of the comments were:

- Breakout of spare parts may not result in delivery to a systems contractor.
- The Government may do the purchasing, but delivery may not be to the systems contractor.
- The Government may also act as the systems or integrating contractor.
- The Government may be purchasing the items for spare parts.
- Ultimate delivery would not necessarily have to go to the systems contractor.
- End the definition after "...one or more contractors".
- Do not agree with the last part of the sentence. End the definition after "...one or more contractors".
- Using the term "systems contractor" is too restrictive.
- Do all component breakouts result in delivery of components to a systems contractor?
- Insert the phrase "or the Government" after "more contractors".
- Take out the last part of the sentence.

Most of the respondents felt that the use of "systems contractor" in the definition would restrict the definition too much. Several of the respondents wanted to cut the definition short. Their reasoning was that the last part of the definition was not appropriate because there may be other ultimate users besides the systems contractor. This researcher was persuaded to change the definition. The buyer

has the responsibility to integrate the part or component, and to deliver it to the ultimate user if appropriate.

g. Proposed Definition Based on the Second Responses

COMPONENT BREAKOUT

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate buyer integration or delivery.

Synonyms: None.

Antonyms: Component breakback.

h. Results from Third Iteration

Strongly Agree 46 (46%)

Agree 44 (44%)

Somewhat Agree 8 (8%)

Somewhat Disagree 2 (2%)

Strongly Disagree 1 (0%)

i. Issues

The revised definition resulted in a very high degree of agreement (98%). Three of the respondents agreed, but did not like the last part of the sentence. The suggestions for definition improvement are presented below.

- In my view the phrase "for ultimate buyer integration or delivery" is unnecessary and somewhat confusing.
- The "buyer" does not necessarily have to be the system integrator.
- I have never heard of "component breakback".
- delete the words "or delivery".
- Original definition was correct.

- The revised definition is much better.

This researcher believes that the last part of the sentence is important to this definition. As mentioned in the previous chapter, although this function may actually be accomplished by someone besides the buyer, the buyer has the ultimate responsibility to integrate the part or component, and to deliver it to the ultimate user if appropriate. Since there was strong consensus on this survey, no further revision will be made to this definition.

j. Proposed Definition Based on the Final Responses

COMPONENT BREAKOUT

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate buyer integration or delivery.

Synonyms: None.

Antonyms: Component breakback.

4. Cost Analysis

a. Original Definition

COST ANALYSIS

The review and evaluation of a contractor's cost or pricing data in order to determine the fairness and reasonableness of the contractor's proposed cost. All of the information presented by the seller in setting his cost is examined in an effort to ensure that the cost is fair and reasonable.

Synonyms: None.

Antonyms: None.

b. Results from First Iteration

Agree as written 64 (51%)

Disagree 62 (49%)

c. Issues

This definition generated very few comments. Some of these comments were:

- Delete the words "or pricing" from the first sentence.
- Change the word "seller" to the word "contractor".
- Delete the words "fair and" from the last sentence.
- Add the word "detailed" before the word "review".

The original definition borrowed extensively from the Armed Services Pricing Manual definition. However, the results and comments received suggest that the definition still generates a great deal of disagreement. The proposed definition corrects some of the noted deficiencies and tries to clarify the definition further.

d. Proposed Definition Based on the First Responses

COST ANALYSIS

An analysis of the elements of a proposed price for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: None.

e. Results from Second Iteration

Strongly Agree 47 (41%)

Somewhat Agree 27 (24%)

the use of the word "price". They felt that the word "cost" defined the term much better. This researcher does not agree with this suggestion since it would be using a word to define the same word that is found in the term. The definition was revised in an attempt to clarify the term and to incorporate some of the comments made.

g. Proposed Definition Based on the Second Responses

COST ANALYSIS

An analysis of the elements of an offer for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: None.

h. Results from Third Iteration

Strongly Agree	<u>56</u> (56%)
Agree	<u>30</u> (30%)
Somewhat Agree	<u>10</u> (10%)
Somewhat Disagree	<u>4</u> (4%)
Strongly Disagree	<u>1</u> (0%)

i. Issues

Ninety-six percent of the respondents agreed with this definition. The four respondents that somewhat disagreed with the definition did not provide comments to support their position. The one respondent that strongly disagreed with the definition felt that the original definition was much better. Other comments provided were:

- This definition is too restrictive. I like the original definition better.
- An auditor may provide analysis data.
- Replace the word "negotiating" with the word "determining".
- Add to the antonyms: Price Analysis. Price Competition.
- Change the word "price" to the word "cost".
- I strongly agree with this definition.
- I like the original definition much better.
- Add to the antonyms: Price Analysis.

There was strong enough consensus on the last survey that further revision is unsupported. However, this researcher agrees that "Price Analysis" should be added as an antonym.

j. Proposed Definition Based on the Final Responses

COST ANALYSIS

An analysis of the elements of an offer for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: Price analysis.

5. Constructive Change

a. Original Definition

CONSTRUCTIVE CHANGE

An alteration to a contract which:

- usually arises from Government actions or inactions (e.g. defective specifications, nondisclosure of vital information, increases in quantity);

- requires the contractor to perform additional,

less, or different work, which usually changes the schedule performance or delivery; and

- is of such nature that it has the same effect as a written change order (operation of law) for which an equitable adjustment is sought.

Synonyms: Change by Implication, Unauthorized Change.

Antonyms: None.

b. Results from First Iteration

Agree as written 53 (42%)

Disagree 73 (58%)

c. Issues

The original definition generated a wide variety of responses. The majority of the comments were not for disagreement with the definition, but for cosmetic changes to the definition. Some of the comments included:

- Add the words "technical direction" after the word "specifications".
- Add the word "acceleration" to the end of the first definition.
- Do not agree with the words "is sought". If a contractor submits an equitable adjustment proposal and that proposal is ultimately rejected, then a constructive change has not occurred.
- Do not agree with the word "usually". It is not definite enough for a definition.
- Delete the words "increases in quantity".
- Change the word "Government" to the word "customer".
- Do not like the word "unauthorized" in the synonyms.
- Isn't this out of the scope of the contract as defined in the changes clause?

- Antonyms: Change order.

The original definition appeared to be lengthy and cumbersome. The proposed definition further refines the term and incorporates many of the suggestions made.

d. Proposed Definition Based on the First Responses

CONSTRUCTIVE CHANGE

An alteration to a contract which arises from a buyer's actions or inactions requiring the seller to perform additional, less or different work, which may change the schedule performance or delivery. The alteration is of such nature that it has the same effect as a written change order for which an equitable adjustment may be sought by the seller.

Synonyms: Change by Implication, Unauthorized Change.

Antonyms: None.

e. Results from Second Iteration

Strongly Agree	<u>43</u>	(38%)
Somewhat Agree	<u>28</u>	(24%)
Agree	<u>26</u>	(23%)
Somewhat Disagree	<u>14</u>	(12%)
Strongly Disagree	<u>3</u>	(3%)

f. Issues

Most of the respondents agreed with the definition as written. The comments received concerned the appropriateness of the synonym: Unauthorized Change. Some of the comments provided were:

- Do not agree with word "unauthorized" in the synonyms.
- Delete "Unauthorized Change" from the synonyms.

- Prefer the original definition.
- I like it!
- Add the word "price" after the word "performance".
- Changes can be caused by other individuals besides the buyers.
- Suggest you add "Written Change Order" to the antonyms.
- Delete "Unauthorized Change" from the synonyms.
- Constructive changes are not limited to a buyer's actions/inactions, but may be caused by other Government representative.

There was strong enough consensus on the last survey that further revision is unsupported and thus the only change made to the definition was to delete "Unauthorized Change" from the synonyms.

g. Proposed Definition Based on the Second Responses

CONSTRUCTIVE CHANGE

An alteration to a contract which arises from a buyer's actions or inactions requiring the seller to perform additional, less or different work, which may change the schedule performance or delivery. The alteration is of such nature that it has the same effect as a written change order for which an equitable adjustment may be sought by the seller.

Synonyms: Change by Implication.

Antonyms: None.

h. Results from Third Iteration

Strongly Agree 65 (65%)

Agree 25 (25%)

Somewhat Agree 5 (5%)

Somewhat Disagree 1 (0%)

Strongly Disagree 5 (5%)

i. Issues

Although six of the respondents did not agree with the definition, the comments provided did not support their position. Most of the comments received did not change the meaning of the term. Comments received included:

- A constructive change does not come about by "an alteration to a contract"; it is triggered by "a change in contractual requirements".
- Insert the word "cost" after the words "may change".
- Do not agree with this definition.
- Definition is silent on cost/price except by implication.
- Perfect!
- Add a comma between "schedule" and "performance".
- All the buyer's personnel can be involved in a constructive change.
- Change the word "requiring" to the word "causing".
- It seems to me that a constructive change could change cost without changing schedule performance or delivery.

This researcher agrees that cost could change without changing schedule performance or delivery. As already stated in the definition, a constructive change normally will require a seller to perform additional, less or different work that may or may not change the scheduled performance or delivery. Therefore, a change the cost of a contract could occur without changing schedule performance or delivery.

j. Proposed Definition Based on the Final Responses

CONSTRUCTIVE CHANGE

An alteration to a contract which arises from a buyer's actions or inactions requiring the seller to perform additional, less or different work, which may change the schedule performance or delivery. The alteration is of such nature that it has the same effect as a written change order for which an equitable adjustment may be sought by the seller.

Synonyms: Change by Implication.

Antonyms: None.

C. SUMMARY

This chapter has presented the analysis of five terms: Adequate Price Competition, Ceiling Price, Component Breakout, Cost Analysis, and Constructive Change. Revisions to the definitions, synonyms, and antonyms for the terms were based on feedback from three rounds of surveys returned to the researcher. In Chapter III, the results and analysis of five additional controversial terms will be presented.

III. ANALYSIS OF RESPONSES - PART II

A. INTRODUCTION

This chapter deals with the results of the three rounds of questionnaires that were sent to 500 NCMA Fellows, CPCMs and CACMs. The questionnaire requested the respondent to comment on five controversial and contracting terms. The five terms defined in this chapter included: Deviation, Effective Competition, Indefinite-Quantity Contract, Justification and Approval (J&A), and Source Selection. The researcher with two other panel members analyzed the comments provided for each term using the criterion of improving the definition, either through content or enhancing the reader's ability to understand the term.

The format for this Chapter is as follows: Subsection "a" provides the original definition for the term. This original definition is the end product of previous graduate theses. Subsection "b" presents the quantitative results of the first questionnaire (n=500; 20% returned). The number presented for "agree as written" includes respondents who agreed without comment, provided positive comments which did not propose a change or supported definition, or suggested synonyms or antonyms without negative comments. The number presented for "disagree" includes respondents who offered constructive

criticism, negative comments, or made any change to the definition, synonyms or antonyms. Subsection "c" identifies the respondent's issues, representative responses, and the researcher's analysis. Subsection "d" proposes a revised definition based on the first responses.

Subsection "e" represents the quantitative results of the second questionnaire (n=99; 80% returned). Once again, the results include respondents who agreed or disagreed without comments, provided positive comments which did not propose a change or supported the definition, or suggested changes to the synonyms or antonyms. Subsection "f" identifies the respondent's issues, representative responses, and the researcher's analysis. Subsection "g" proposes a revised definition based on the second responses.

Subsection "h" represents the quantitative results of the third questionnaire (n=80; 94% returned). As before, the results include respondents who agreed or disagreed without comments, provided positive comments which did not propose a change or supported the definition, or suggested changes to the synonyms or antonyms. Subsection "i" identifies the respondent's issues, representative responses, and the researcher's analysis. Subsection "j" proposes a revised definition based on the final responses. Finally, a summary of the Chapter is provided.

B. TERM ANALYSIS

1. Deviation

a. *Original Definition*

DEVIATION

A specific written authorization to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, specification or a referenced document for a specific number of units or a specific period of time.

Synonyms: Alteration, Departure.

Antonyms: None.

b. *Results from First Iteration*

Agree as written 43 (43%)

Disagree 56 (57%)

c. *Issues*

The original definition generated a variety of comments. The major concern was a confusion between deviation and waiver. Some of the comments included:

- Should distinguish between a deviation and a waiver (i.e. deviation substitutes one requirement for another whereas a waiver removes a requirement).
- Most contracting professionals consider the term "deviation" in terms of its applicability to the FAR. See FAR 1.401a.
- I thought a deviation was not for a specific period of time.
- Not anyone can grant a deviation.
- Who has authority? Describe circumstances in which the deviation will be used.
- Deviations are also granted to the specific language of required clauses in Government contracts.

- There is a great deal of confusion between deviation and waiver in the contracting field. Your definition is not clear.

From the comments made and the results of the survey, it appears that there is considerable confusion about who grants a deviation or has authority to grant a deviation. The first sentence was changed in the revised definition in order to clarify the term further.

d. Proposed Definition Based on the First Responses

DEVIATION

A specific written approval by an authorized agent to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, Federal Regulation, specification or a referenced document for a specific number of units or a specific period of time under the contract.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

e. Results from Second Iteration

Strongly Agree	<u>42</u> (53%)
Somewhat Agree	<u>12</u> (15%)
Agree	<u>18</u> (22%)
Somewhat Disagree	<u>4</u> (5%)
Strongly Disagree	<u>4</u> (5%)

f. Issues

This term had a high percentage of respondents agreeing with the definition. However, the relative positive response on this term is misleading since most of the comments received were negative in nature. Some of the comments were:

- Original definition is much better.
- Isn't a deviation, when approved, a change to the contract?
- Your revised definition is too simplified.
- Ensure "authorized agent" is defined somewhere.
- I do not believe an "authorized agent" can order a deviation from a Federal Regulation.
- Deviations are also written by OFPP which authorizes "class deviation" to Federal Regulations. This affects multiple contract transactions at one time.
- Definition is too long for one sentence.
- Do not understand the term "authorized agent".
- A deviation is not merely a departure from a particular performance or design requirement. It is also the use of a contract clause, regulation, directive, etc., that deviates from the Federal Regulation system.
- Delete "Federal Regulation" from the definition.
- Who is the "authorized agent"?

Although most of the comments were negative in nature, the respondents provided very good suggestions for revision of the definition. Some of the respondents felt that the definition was too long for one sentence. Others had some difficulty with the use of "authorized agent" in the definition. This researcher was persuaded to revised the definition and the reflects some of the suggested changes.

g. Definition Based on the Second Responses

DEVIATION

A specific written approval by an authorized individual to depart from; a Federal Regulation, particular performance or design requirement of a contract, specifications, or a referenced document.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

h. Results from Third Iteration

Strongly Agree 37 (49%)

Agree 30 (40%)

Somewhat Agree 4 (5%)

Somewhat Disagree 2 (3%)

Strongly Disagree 2 (3%)

i. Issues

This definition generated the least amount of comments. Although 6% of the respondents disagreed with the definition, only one provided any comments to support their position. One respondent agreed with the definition, but felt that shortening the definition reduced the meaning of the term. The comments provided were:

- Suggest you delete the reference to a Federal Regulation. You can have a deviation without being Federally oriented.
- Shortening the definition reduced the meaning of the term.
- Add "..., or for a specific number of units under a contract" to the end of the sentence. Without this addition, the implication is that the deviation applies only to the total contract.

This researcher does not agree with the suggestion to delete the reference to a Federal Regulation. A deviation can occur when an individual is authorized to depart from a Federal Regulation. This fact does not cause the definition to be Federally oriented. It was merely used as an example to support the definition.

j. Proposed Definition Based on the Final Responses

DEVIATION

A specific written approval by an authorized individual to depart from a Federal Regulation, a contract, specifications, or a referenced document.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

2. Effective Competition

a. Original Definition

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible offerors acting independently contend for a contract which results in the buyer receiving either (1) the lowest cost or price alternative or (2) the optimal combination of technical design coupled with a cost effective price.

Synonyms: None.

Antonyms: None.

b. Results from First Iteration

Agree as written 34 (34%)

Disagree 65 (66%)

c. Issues

The original definition generated a wide variety of comments. However, the majority of the qualitative comments

were of a cosmetic nature. Some of the comments included:

- Change the word "contend" to "compete".
- Add the words "responsive and..." after the word "more".
- Substitute the words "a cost effective price" with "best value to the buyer".
- Definition seems too broad. Do not incorporate both cost and the technical factors.
- Add the word "responsive" after the word "responsible". Must be responsive to be acceptable.
- For effective competition, the offerors must be responsive.
- Competition can exist with more than one responsible offeror.
- Delete everything after the word "contract".
- Disagree with the low-price mentality.
- Lowest price does not get the agency the needed product many times.

The comments received did not add to or delete from the meaning of the term. However, the quantitative results indicate that there appears to be a considerable amount of disagreement on the meaning of the term. The addition of "in a competitive environment" was included in the definition in order to further clarify the meaning.

d. Proposed Definition Based on the First Responses

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract. This results in the buyer receiving either (1) the lowest cost or price

alternative or (2) the optimal combination of technical design coupled with a fair and reasonable price.

Synonyms: None.

Antonyms: None.

e. Results from Second Iteration

Strongly Agree 40 (50%)

Somewhat Agree 12 (15%)

Agree 19 (24%)

Somewhat Disagree 6 (8%)

Strongly Disagree 2 (3%)

f. Issues

This definition generated a wide variety of comments. Some of the respondents failed to support why a desired change was needed or preferred. Other results received dealt with personal style preferences. One individual suggested that the last sentence be deleted. Some of the comments provided were:

- Prefer the word "compete" instead of the word "contend".
- Replace the word "responsible" with the word "qualified".
- I do not think the phrase "in a competitive environment" is necessary here. We are defining "competition" and should not be used to define itself.
- The FAR only discusses "full and open competition". There is no discussion of "effective competition".
- Delete the word "responsive" since it is only applicable to sealed bidding.
- Recommend you further define "competitive environment".
- Good clarification.

- Delete the last sentence. It is not necessary.
- Price need not be fair and reasonable in an "optimal" setting.

This researcher believes that in order to achieve effective competition it must take place in a competitive environment. Therefore, fair and reasonable is required in all cases. However, this researcher agrees the respondents that the last sentence, although it contains examples that further clarify the term, is not necessary to the definition. Therefore, the last sentence was deleted from the next revision.

g. Proposed Definition Based on the Second Responses

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract.

Synonyms: None.

Antonyms: None.

h. Results from Third Iteration

Strongly Agree	<u>43</u> (58%)
Agree	<u>30</u> (40%)
Somewhat Agree	<u>1</u> (1%)
Somewhat Disagree	<u>0</u> (0%)
Strongly Disagree	<u>1</u> (1%)

i. Issues

This definition generated the highest percentage of agreement (99%). One of the respondents somewhat agreed with

the definition, but wanted the second sentence used in the second survey added back in. The respondent that strongly disagreed with the definition wanted the words "competitive environment" deleted from the definition. Other comments were:

- Add the second sentence of the original definition again.
- Add to the antonyms: Sole Source.
- Do not use part of the word being defined in the definition. Delete the words "competitive environment".
- Much better definition.
- Excellent definition.
- Add to the synonyms: Competition.
- Add to the antonyms: Sole Source.

The strong consensus received indicates that further revision is unsupported.

j. Proposed Definition Based on the Final Responses

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract.

Synonyms: None.

Antonyms: None.

3. Indefinite-Quantity Contract

a. Original Definition

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated maximum quantity.

Synonyms: IDDQ.
Antonyms: None.

b. Results from First Iteration

Agree as written	<u>62</u> (63%)
Disagree	<u>37</u> (37%)

c. Issues

Although this definition received the highest percentage of disagreement it generated the most qualitative responses. The major issue was the use of "maximum" in the definition. Some of the comments were:

- Government only has to order a stated "minimum" quantity.
- Definition omits the concept that a minimum amount will be paid even if no orders are placed.
- Change the word "maximum" to the word "minimum".
- Requirement is to order the minimum, not the maximum.
- Only the minimum quantity must be ordered.
- I disagree with the last part of the second sentence.
- There exists many situations which would preclude the Government ever ordering the maximum.

Almost all of the qualitative results received were in agreement that the use of the word "maximum" in the definition was incorrect. The Federal Acquisition Regulation states that the Government is obligated to order until the contractor has delivered the stated "maximum" amount. The proposed definition uses the word "minimum" vice the word "maximum" and spells out the term IDDQ.

d. Proposed Definition Based on the First Responses

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated minimum quantity.

Synonyms: Indefinite Delivery Definite Quantity (IDDQ).

Antonyms: None.

e. Results from Second Iteration

Strongly Agree 40 (50%)

Somewhat Agree 10 (12%)

Agree 24 (30%)

Somewhat Disagree 4 (5%)

Strongly Disagree 2 (3%)

f. Issues

This term also had one of the highest percentages of respondents agreeing with the definition. It was not surprising that very few comments were received. A few of the respondents did not agree with the use of IDDQ as a synonym. Some of the comments included:

- I'm not sure the word "minimum" is appropriate.
- Do not agree with the synonym.
- Change the word "order" to the word "purchase".
- The ordering process is not tied to the contractor's delivered quantity. The Government may order to the maximum amount prior to any deliveries.
- Delete the synonym. The synonym is incorrect. By definition this is an incentive quantity, not a definite quantity contract.

- I like this definition.

There was strong enough consensus on the last survey that further revision is unsupported and thus the only change made was to delete IDDQ from the synonyms.

g. Proposed Definition Based on the Second Responses

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated minimum quantity.

Synonyms: None.

Antonyms: None.

h. Results from Third Iteration

Strongly Agree	<u>46</u> (61%)
Agree	<u>26</u> (35%)
Somewhat Agree	<u>2</u> (3%)
Somewhat Disagree	<u>0</u> (0%)
Strongly Disagree	<u>1</u> (1%)

i. Issues

The comments received on this term were few in number. This is not surprising since 99% of the respondents agreed with this definition. The one respondent that strongly disagreed with the definition felt that the Government is not obligated to order a certain minimum amount. Other comments submitted were:

- Glad you changed the definition. Much better.
- No reason to feel any stronger. I only agree.

- I strongly agree with the definition.
- Good!
- Government may be obligated to pay a certain minimum amount. I'm not sure the Government is obligated to order.

Further research of publications support the fact that the Government is obligated to order until the contractor has delivered the stated minimum quantity. As a result of the consensus and the comments received in this survey, further revision is unsupported and thus no changes will be made.

j. Proposed Definition Based on the Final Responses

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated minimum quantity.

Synonyms: None.

Antonyms: None.

4. Justification and Approval (J&A)

a. Original Definition

JUSTIFICATION AND APPROVAL (J&A)

A document, approved by an authorized Government procurement official, permitting other than full and open competition for a procurement action based on the recommendation of technical requirements, contracting, and other similar acquisition personnel.

Synonyms: None.

Antonyms: None.

b. Results from First Iteration

Agree as written 28 (28%)

Disagree 71 (72%)

c. Issues

The original definition generated a variety of responses. Most of the responses were cosmetic in nature. However, a couple of the responses addressed the FAR. Some of the comments were:

- Should add that it must be based on one of the seven exceptions of FAR 6.302.
- Does this dilute FAR part 6?
- This must be done within the requirements of the procurement regulations (i.e. the FAR).
- Change the word "similar" to the word "relevant".
- The document is normally called "Justification for Other than Full and Open Competition (JOFOC)".
- NASA uses the term JOFOC.
- Change the words "acquisition personnel" to "cognizant personnel".

Although many of the respondents disagreed with the definition, their comments did not support their position. Most of the comments received did not change the meaning of the term. This researcher does not agree with the comment made that this definition dilutes the definition found in FAR 6.302. Although Justification and Approvals are normally only used by Government officials, the intent of the definition is not to dilute the definition in the FAR, but to provide a

generic meaning that can be understood by other contracting officials not associated with Government contracting. Justification for Other than Full and Open Competition (JOFOC) was added as a synonym.

d. Proposed Definition Based on the First Responses

JUSTIFICATION AND APPROVAL (J&A)

A document approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition)

Antonyms: None.

e. Results from Second Iteration

Strongly Agree 45 (56%)

Somewhat Agree 8 (10%)

Agree 20 (25%)

Somewhat Disagree 4 (5%)

Strongly Disagree 3 (4%)

f. Issues

This term received the second highest percentage of respondents strongly agreeing with the definition. It also generated very few comments. As a result, none of the submitted comments were of value to warrant a change in the definition. The comments submitted were:

- The last part of the revised definition does not contribute to the definition.
- Original definition is better. The revised definition

does not specify cost, schedule and performance requirements.

- Very concise definition.
- I like this definition much better.

A strong enough consensus existed on the last survey that further revision is unsupported and thus no changes were made to the revised definition.

g. Proposed Definition Based on the Second Responses

JUSTIFICATION AND APPROVAL (J&A)

A document, approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition)

Antonyms: None.

h. Results from Third Iteration

Strongly Agree	<u>51</u> (68%)
Agree	<u>18</u> (24%)
Somewhat Agree	<u>4</u> (5%)
Somewhat Disagree	<u>0</u> (0%)
Strongly Disagree	<u>2</u> (3%)

i. Issues

Ninety-eight percent of the respondents agreed with this definition. The two respondents that strongly disagreed with the definition felt that the use of the term "Government official" was inappropriate. One of the respondents agreed strongly with the definition, but did not agree with the

synonym. The comments submitted were:

- Recommend that the reference to Government official be removed. Those of us in industry use similar justification with company official approval.
- Good definition!
- Do not agree with the use of the words "Government official".
- I strongly agree with the definition, but not with the synonyms.

The use of the term "Government official" is necessary in the definition of this term. Although a similar practice may be found in the civilian sector, Justification and Approvals is a term normally used by Government officials. Further research also supports the fact that this document is sometimes referred to as a JOFOC. Therefore, the synonym is appropriate. Further revision to this definition is unsupported.

j. Proposed Definition Based on the Final Responses

JUSTIFICATION AND APPROVAL (J&A)

A document, approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition).

Antonyms: None.

5. Source Selection

a. *Original Definition*

SOURCE SELECTION

The process wherein the requirements, policy, cost, and technical proposals, relevant to an award decision in a competitive procurement of a system/project are examined and the decision made.

Synonyms: None.

Antonyms: None.

b. *Results from First Iteration*

Agree as written 49 (49%)

Disagree 50 (51%)

c. *Issues*

The original definition generated a number of comments. Most of the comments dealt with the use of the word "policy". Some of the comments were:

- The word "policy" bothers me. Do you mean political policy?
- Change the word "policy" to the word "delivery".
- Requirements and policy are not a part of the selection process. Only the examination and evaluation of the cost and technical proposals are relevant to the source selection.
- Requirements and policy should happen before the solicitation is issued.
- I don't understand how the word "policy" relates to a proposal submitted.
- What is meant by the word "policy"?

The original definition appears to have confused many of the respondents by the use of the word "policy" in the definition. It also appears to be very cumbersome and

confusing. Further clarification is provided in the revised definition.

d. Proposed Definition Based on the First Responses

SOURCE SELECTION

An evaluation of offers submitted in response to a solicitation ultimately resulting in an award decision.

Synonyms: None.

Antonyms: None.

e. Results from Second Iteration

Strongly Agree	<u>30</u>	(38%)
Somewhat Agree	<u>13</u>	(16%)
Agree	<u>24</u>	(30%)
Somewhat Disagree	<u>4</u>	(5%)
Strongly Disagree	<u>9</u>	(11%)

f. Issues

The quantitative responses of this term is misleading. Although a majority of the respondents agreed with the definition, the comments received were from respondents which felt that the original definition was much better. Some of these comments were:

- Source selection does not apply to sole source RFPs.
- The word "offers" in the revised definition indicates a negotiated procedure. Therefore the new definition is too restrictive.
- This definition is too simplified. Source selection goes way beyond this.
- Original definition is much better.
- Original definition is accurate.

- This is a very generic definition. Prefer original definition.

Since a significant percentage of respondents believed that the original definition was better, this researcher was persuaded to revert back to the original definition with some minor changes.

g. Proposed Definition Based on the Second Responses

SOURCE SELECTION

The process wherein the requirements, policy, cost, and technical proposals, relevant to an award decision in a competitive procurement of goods and services are examined and an award decision is made.

Synonyms: None.

Antonyms: None.

h. Results from Third Iteration

Strongly Agree	<u>40</u> (53%)
Agree	<u>23</u> (31%)
Somewhat Agree	<u>7</u> (9%)
Somewhat Disagree	<u>2</u> (3%)
Strongly Disagree	<u>3</u> (4%)

i. Issues

This definition generated the most percentage of disagreements (7%). This amount of disagreement was a surprise! Since the majority of the respondents felt that the original definition was better, this researcher had been persuaded to revert back to the original definition with some minor changes. Although five respondents disagreed with the definition, their comments did not support their position.

One respondent felt that the revised definition was too wordy and too legal sounding. Other comments provided were:

- Price as well as cost must be examined.
- Suggest the following: "The process wherein proposals are examined based upon stated evaluation criteria in a competitive procurement and an award decision is made".
- This definition is much better.
- Revised definition is too wordy and too legal sounding. The source selection is a recommendation made by a review group to the contracting officer who then makes the ultimate decision for award.
- delete "in a competitive procurement of goods and services".
- delete the word "policy".

The comments received did not add to or delete from the meaning of the term. The results indicate that some disagreement still exist on the meaning of the term. However, there was strong enough consensus (93%) on the last survey to indicate that further revision is unsupported.

j. Proposed Definition Based on the Final Responses

SOURCE SELECTION

An evaluation of offers submitted in response to a solicitation ultimately resulting in an award decision.

Synonyms: None.

Antonyms: None.

C. SUMMARY

This chapter has presented the analysis of five terms: Deviation, Effective Competition, Indefinite-Quantity Contract, Justification and Approval (J&A), and Source

Selection. Revisions to the definitions, synonyms, and antonyms for the terms were based on feedback from three rounds of surveys returned to the researcher. In Chapter IV, the conclusions and recommendations of the research effort will be presented.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. OVERVIEW

This chapter presents the conclusions and recommendations drawn from this thesis effort. It includes observations drawn while conducting the research and recommendations for improving subsequent follow on efforts. It concludes with an answer to the primary research question posed at the beginning of this thesis along with a summary of the chapter.

B. CONCLUSIONS

This section will include some general comments about this research, and will then compare the results of this effort with those of LCDR Ryan's and LT Wilson's previous efforts.

The 1st round of the questionnaires generated 23% return; the second round a 84% return; and the third round a 91% return. This rate of return appears to be as good as or better, than the results of LCDR Ryan's and LT Wilson's theses. Interestingly, while the second and third questionnaires generated higher rates of return, fewer comments were received.

This questionnaire has significant face validity because the majority of the respondents are Acquisition and Contracting Professionals who are currently working in the field. Most of those who responded were appreciative that

they had an opportunity to help in what they considered valid and worthwhile research. The majority of the respondents felt that a conscious attempt should be made to provide universal definitions to terms and not to concentrate on Government oriented terms and definitions. However, other respondents felt that the definitions used should be based on the Federal Acquisition Regulation (FAR) definitions.

This researcher disagrees with the opinion that all the definitions should be based on the FAR. Although a wide variety of terms are only applicable to Government contracting, there are numerous other terms which may apply to both Government and commercial contracting. For this reason, definitions to be used by acquisition and contracting professionals should be universal and applicable to the profession in general to the largest extent possible.

Some of the general comments included:

- Good effort. I would be very interested in receiving the dictionary when published.
- Be careful not to make the definitions too generic.
- Thank you for the opportunity to contribute to such an excellent effort.
- Are these all the criteria applied by the FAR?
- Some of the definitions include Government terminology. Suggest you use terminology that is applicable to both defense and civilian acquisition whenever possible.
- Why don't you use the definition in the FAR?

Based on this researcher's analysis of the data, results were compared to those of LCDR Ryan's and LT Wilson's efforts. These conclusions follow:

1. The product of this thesis will add to the body of knowledge which makes up the contracting discipline. [Ref. 5:p. 79]

The ten terms that were refined in this thesis do not add to the body of knowledge. Rather, some of the knowledge, which is already present in this profession, is more accurately articulated within the framework of the body of knowledge. Research efforts need to continue in order to expand the volume of defined terms and refine the definitions of controversial terms.

2. The observations of questionnaire respondents reflect a concern for the continued development of the contracting discipline. [Ref. 5:p. 79]

This researcher agrees with LCDR Ryan's observation regarding the concern of the respondents for the development of this discipline/profession. The high response rate to all three questionnaires, and the positive comments received, indicated a sincere desire among the respondents to contribute to the body of acquisition and contracting knowledge. A review of the completed questionnaires indicate that the majority of the respondents were very articulate. Several of the respondents requested information to obtain a copy of the dictionary when completed.

3. There is not universal agreement concerning the meaning of most contracting terms. [Ref. 5:p. 80]

This researcher agrees with this conclusions as expressed by LCDR Ryan and LT Wilson. This researcher believes that each respondent understood the basic concept of the terms. However, the respondents differed as to which aspects of a specific term should be included in a formal definition. The iterative process of the modified Delphi Technique helped to increase the rate of approval for the controversial definitions. Although the consensus definitions presented in this research received very high approval rates, an element of dissent remained. The problem does not appear to be one in which a term conjures up differing concepts among procurement professionals. Rather, the majority of suggestions to improve upon a definition represent one aspect of the term which specifically applies to their understanding of their own procurement environment. This misunderstanding highlights the need for a comprehensive compilation of contracting terms.

4. The procedure used in this thesis to achieve consensus on term definitions as used in contracting is valid. [Ref. 5:p. 80]

The method used in this study was modified from previous studies by increasing the number of participants and including a additional round of questionnaires. This modification has increased the number of participants and is

believed to have assisted in reaching a higher level of consensus.

5. The inclusion of synonyms and antonyms contributed very little to the thesis. [Ref. 5:p. 80]

The researcher disagrees with this conclusion. Although few synonyms and antonyms were suggested for the ten terms, this in itself does not indicate the lack of diligence on the part of the survey respondents. This research demonstrated that including synonyms and antonyms in the questionnaire generated a significant number of comments.

C. RECOMMENDATIONS

Based on this researcher's analysis, this section will compare recommendations made by LT Wilson and the results of this study. Recommendations are as follows:

1. The consensus definitions derived from this research should be added to those from previous research and incorporated into the contracting dictionary.

[Ref. 7:p. 113]

The ten terms generated strong consensus among the participants, ranging from 94 to 99 percent agreement. The researcher believes that the refined terms represent a consensus of experts in the acquisition and contracting field and should be incorporated in the contracting dictionary.

2. Continue to refine only the terms deemed controversial in subsequent research with the methodology utilized in this effort. [Ref. 7:p. 113]

The researcher does not agree with this recommendation. Not all definitions are subject to refinement. The only definitions that should be further refined are those definitions that generate significant diversity in comments or require extensive revisions in response to comments.

Additionally, subsequent research needs to be conducted regarding the research methods that have been used for this study as well as previous theses. Specific areas of analysis should include.

a. Delphi Technique. The modified Delphi Technique that has been used for this study and other related studies should be closely examined. Is it an appropriate method for this type of study? If so, why? Would a more conventional Delphi method be more appropriate for the purpose of this study? If so, what changes to the procedures would be necessary? What might we learn from similar studies that have been done using the conventional Delphi Technique?

b. Scaling Technique. Is the scaling technique used in this study the most appropriate for a study of this type? If so, why? How might the quantitative data gathered via the scales be used more effectively for these studies?

c. Sample Size. What is the appropriate sample size

for these studies? A rationale should be established for the sample size based on the research designed.

3. Standardize the procedure for determining agreement or disagreement with a term's definition. [Ref. 7:p.115]

The researcher strongly agrees with LT Wilson's recommendation. In order to make a valid comparison of approval rates between research efforts, standard procedures and terminology should be used. As mentioned above, the modified Delphi Technique that has been used in this study as well as previous related studies should be carefully analyzed. A detailed analysis of the procedures could establish an appropriate strategy for standardization.

4. Continue to follow up questionnaires with a reminder letter. [Ref. 7:p.114]

The high degree of responses indicates that the mailing of the reminder letter approximately one week after the questionnaire was mailed, increased the overall rate of response.

5. Allow ample time for data collection and analysis.

It took approximately eight months to gather, analyze, and report the data. Therefore, subsequent researchers should take this into consideration. The development, printing, and mailing of the three research questionnaires takes considerable time. In addition, the researcher must allow time for the participants' responses and the analysis of the responses.

D. RESEARCH QUESTION ANSWERS

The subsidiary research questions were:

1. What agreement can be reached from professionals in the field?
2. What definition of terms can be concluded from research and feedback?
3. Is the modified Delphi technique useful for fine tuning controversial acquisition and contracting terms?

This research demonstrated that substantial, but not complete, agreement can be reached from professionals in the field. The modified Delphi Technique provided the researcher with valuable feedback that was an integral part of this research effort.

The primary research question was: To what extent can standard meanings be arrived at in the evolving field of contracting in which words are used with various meanings?

The researcher agrees with LCDR Ryan's answer to this question. One hundred percent agreement on an exact definition for any given contracting term is not likely to occur. The researcher also agrees with LCDR Ryan's statement that recognizes that each person is biased by one's own procurement experience and environment. However, a definition that represents a consensus can occur with success as demonstrated by the results of this thesis. Although people may not share the exact experiences or environment, their basic experiences may be similar.

Few respondents felt that this type of research was a waste of time. However, most participants felt that the establishment of standard meanings for terms is long overdue.

E. AREAS FOR FURTHER RESEARCH

The methodology used in this research effort could also be used to refine non-controversial terms from previous or subsequent graduate thesis. An analysis would demonstrate whether the refinement process was productive.

Although the researcher believes that an acceptable consensus was achieved after the second questionnaire, a third questionnaire helped to further support the refinement process. The approval rate for each of the terms improved with each questionnaire.

F. SUMMARY

This chapter offered conclusions and recommendations regarding this research effort. It addressed the research questions and provided suggestions to follow on researchers for dealing with the strengths and weaknesses of the methodology and general process of this project.

The completion of a comprehensive dictionary of acquisition and contracting terms is worthwhile project and will make a significant contribution to the profession. Personal involvement in this project has been worthwhile.

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1. Barlow, C. Wayne and Eisen, Glen P., Purchasing Negotiations, Boston: CBI publishing Company, Inc. 1983.
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3. Federal Acquisition Regulation (FAR), Chicago: Commerce Clearing House, Inc., 1990.
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5. Ryan, Daniel F., A Dictionary of Acquisition and Contracting Terms, Master's Thesis, Naval Postgraduate School, Monterey, CA, 1988.
6. Sherman, Stanley N., Government Procurement Management, Maryland: Wordcrafter Publications, 1991.
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APPENDIX A: PROPOSED CONSENSUS DEFINITIONS

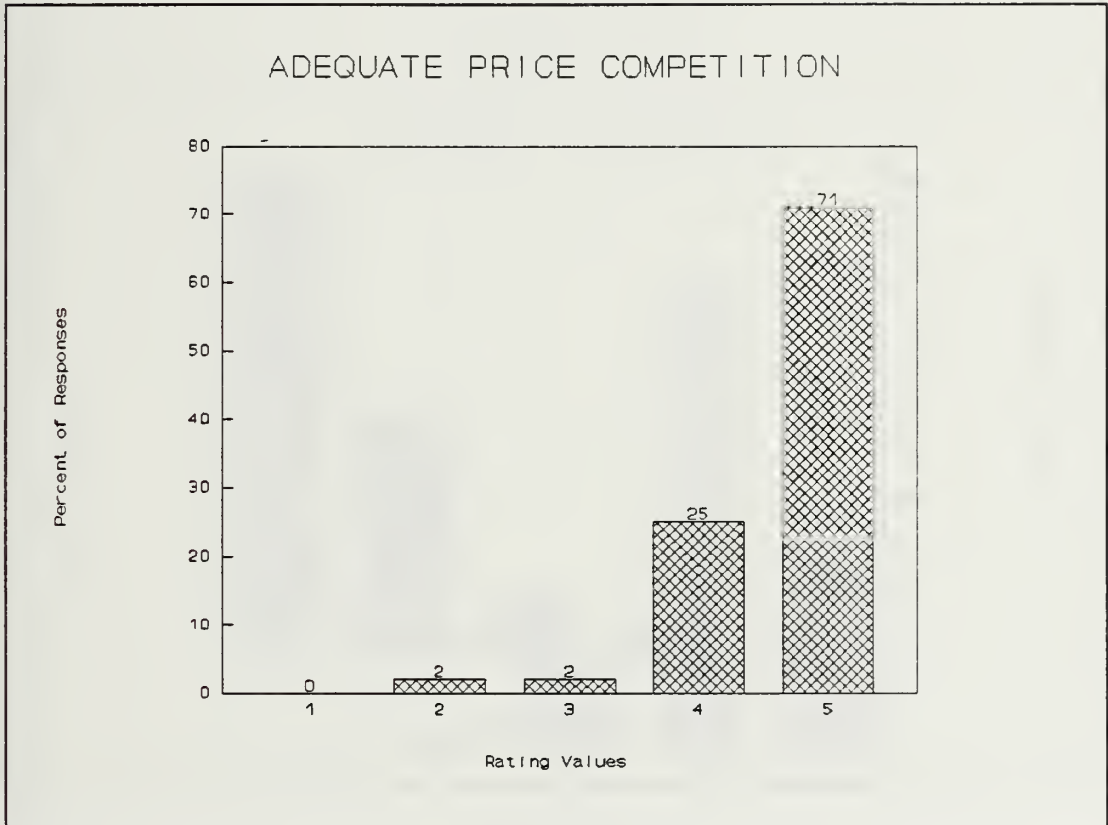
This appendix presents the product of this thesis. The proposed consensus definitions, which were arrived at through the use of a modified Delphi Technique, represent professionally acceptable definitions of the 10 controversial terms chosen for refinement. The graphs below each definition represent the percent of responses that (1) Strongly Disagreed, (2) Somewhat Disagreed, (3) Somewhat Agreed, (4) Agreed, or (5) Strongly Agreed with the definition.

ADEQUATE PRICE COMPETITION

A condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: None.



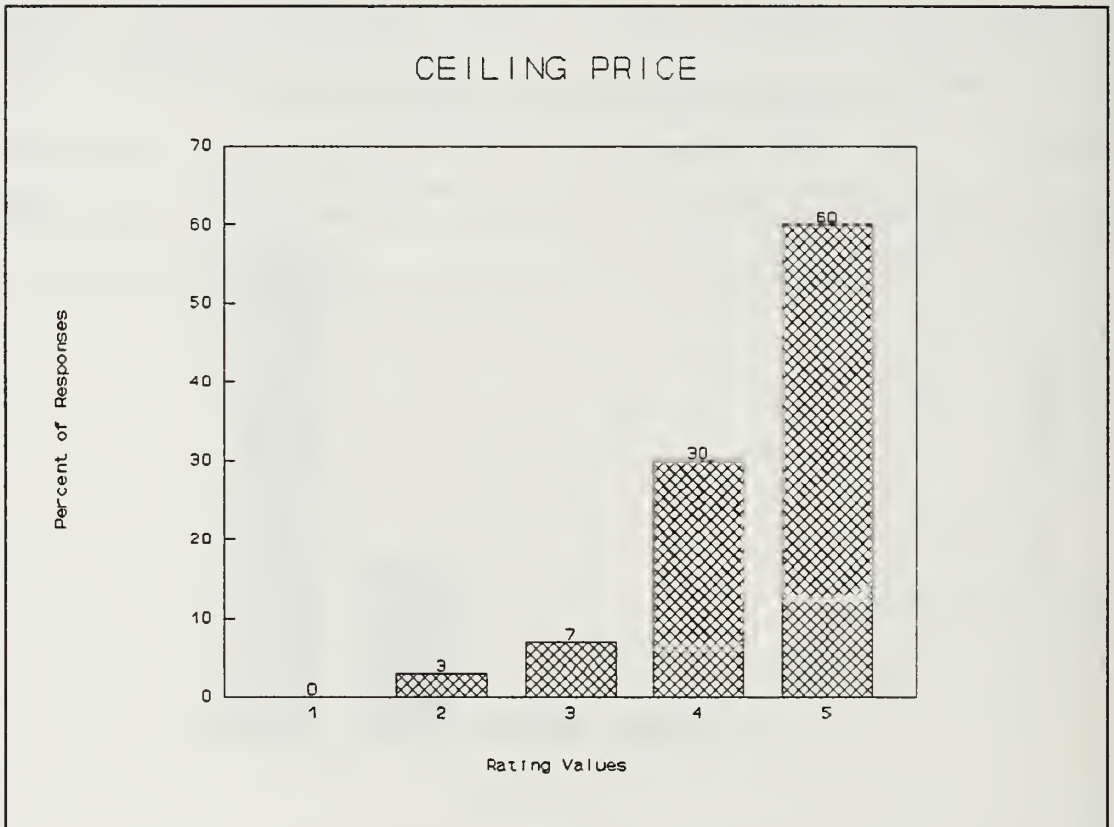
AVERAGE RESPONDENTS AGREEING: 98%

CEILING PRICE

The maximum amount a buyer is contractually obligated to pay a seller.

Synonyms: None.

Antonyms: None.



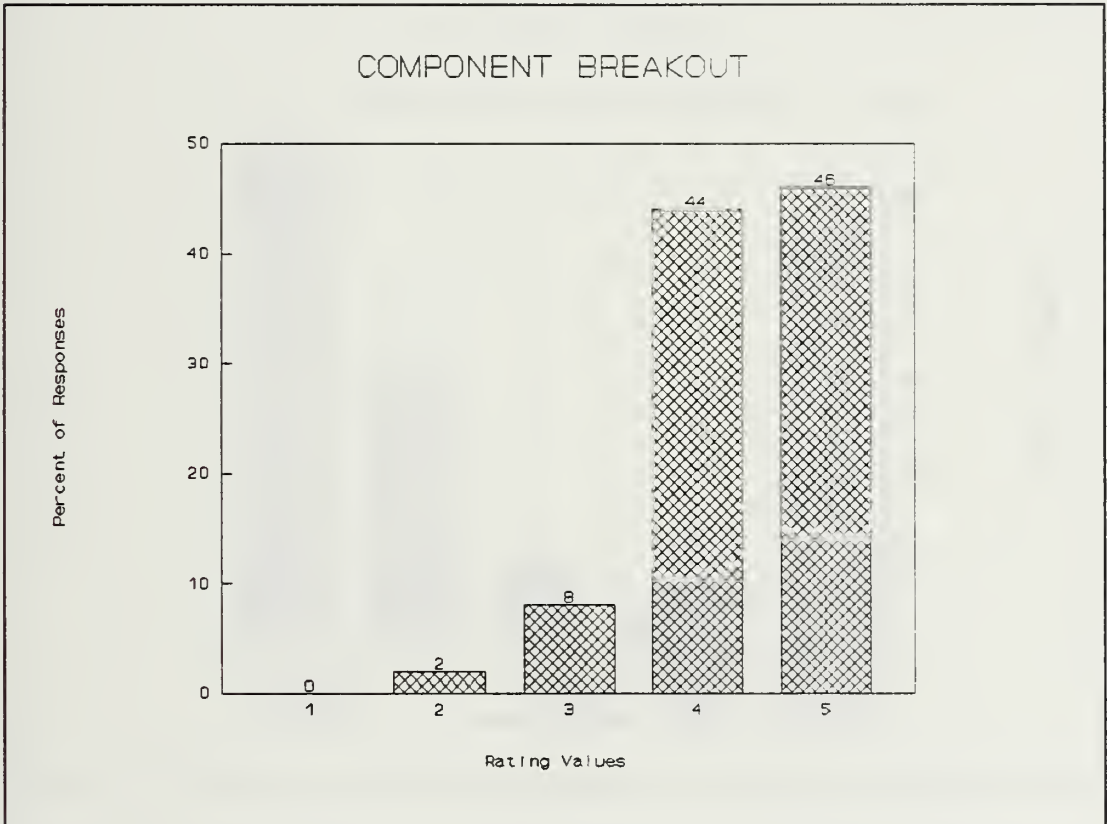
AVERAGE RESPONDENTS AGREEING: 98%

COMPONENT BREAKOUT

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate buyer integration or delivery.

Synonyms: None.

Antonyms: Component Breakback.



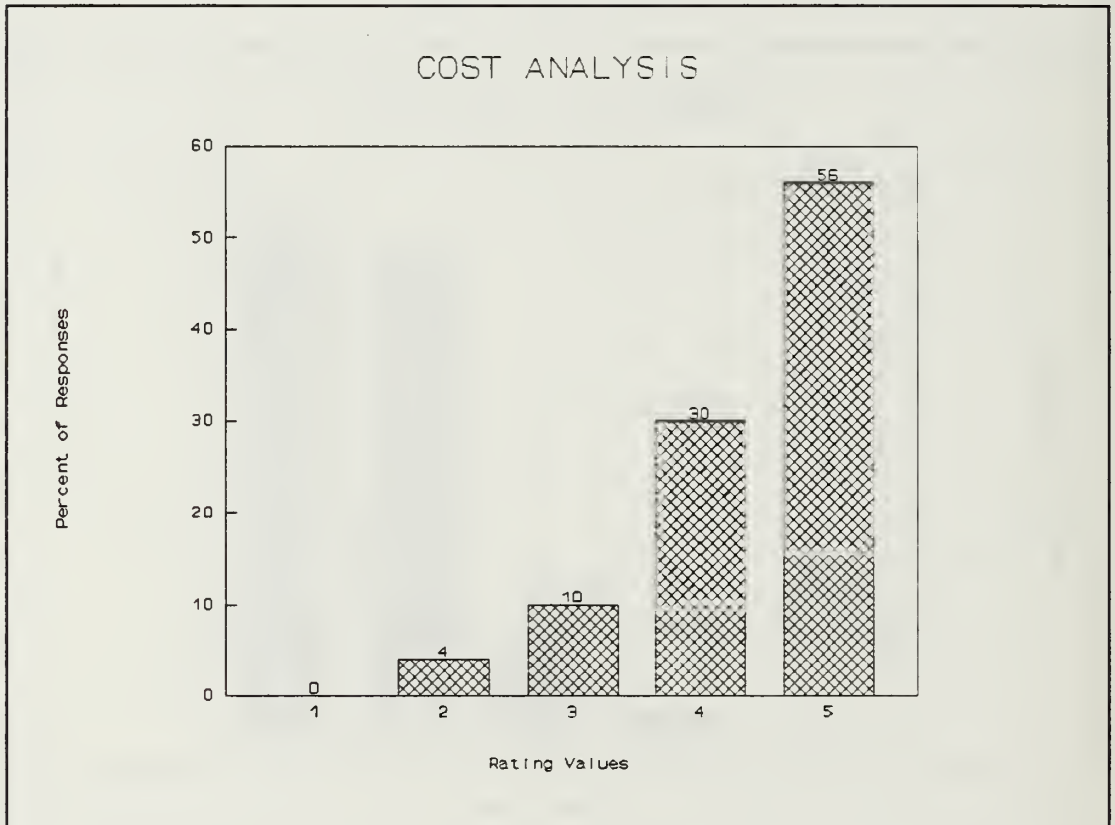
AVERAGE RESPONDENTS AGREEING: 98%

COST ANALYSIS

An analysis of the elements of an offer for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: None.



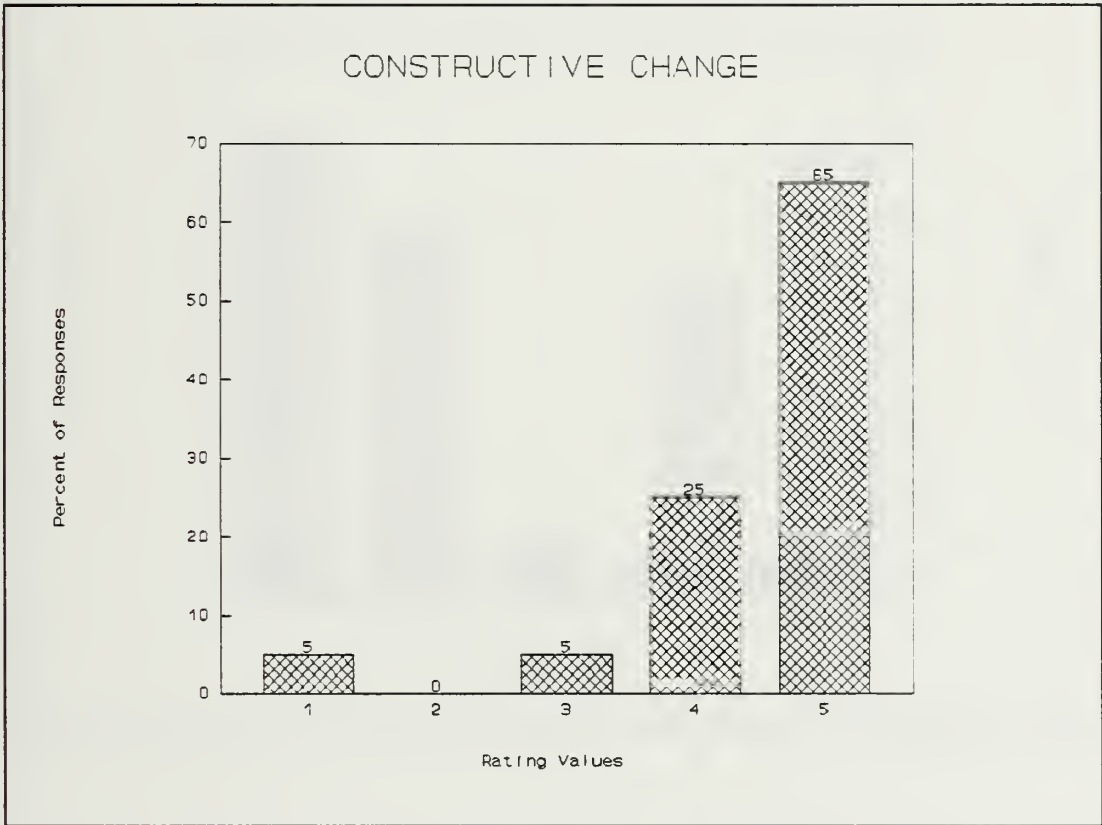
AVERAGE RESPONDENTS AGREEING: 96%

CONSTRUCTIVE CHANGE

An alteration to a contract which arises from a buyer's actions or inactions requiring the seller to perform additional, less or different work, which may change the schedule performance or delivery. The alteration is of such nature that it has the same effect as a written change order for which an equitable adjustment may be sought by the seller.

Synonyms: Change by Implication.

Antonyms: None.



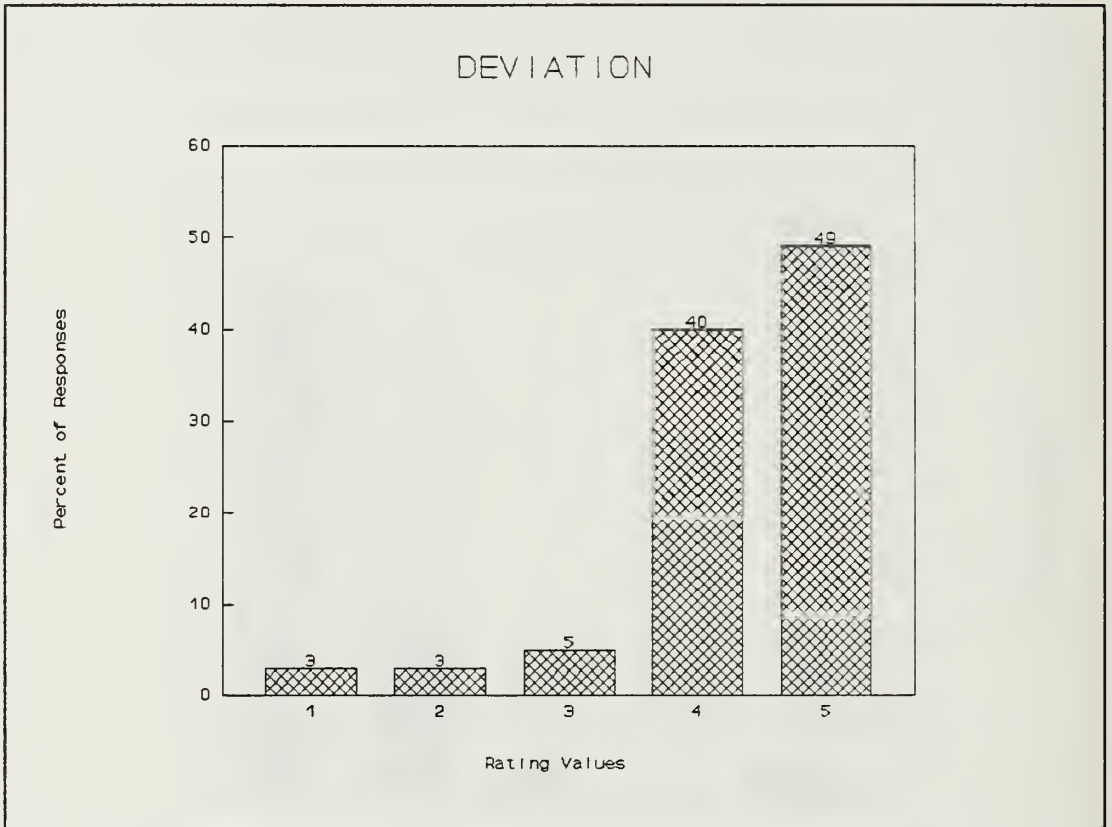
AVERAGE RESPONDENTS AGREEING: 95%

DEVIATION

A specific written approval by an authorized individual to depart from a Federal Regulation, a contract, specifications, or a referenced document.

Synonyms: Alteration, Departure.

Antonyms: Compliance.



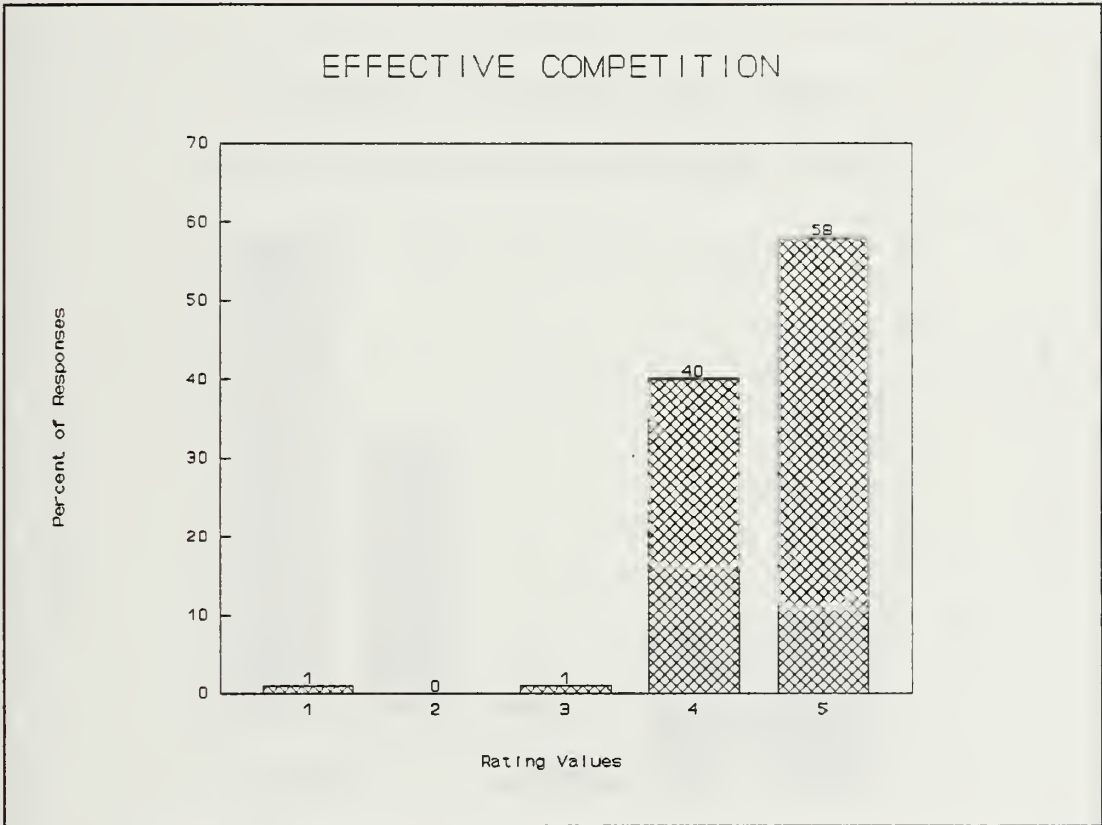
AVERAGE RESPONDENTS AGREEING: 94%

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract.

Synonyms: None.

Antonyms: None.



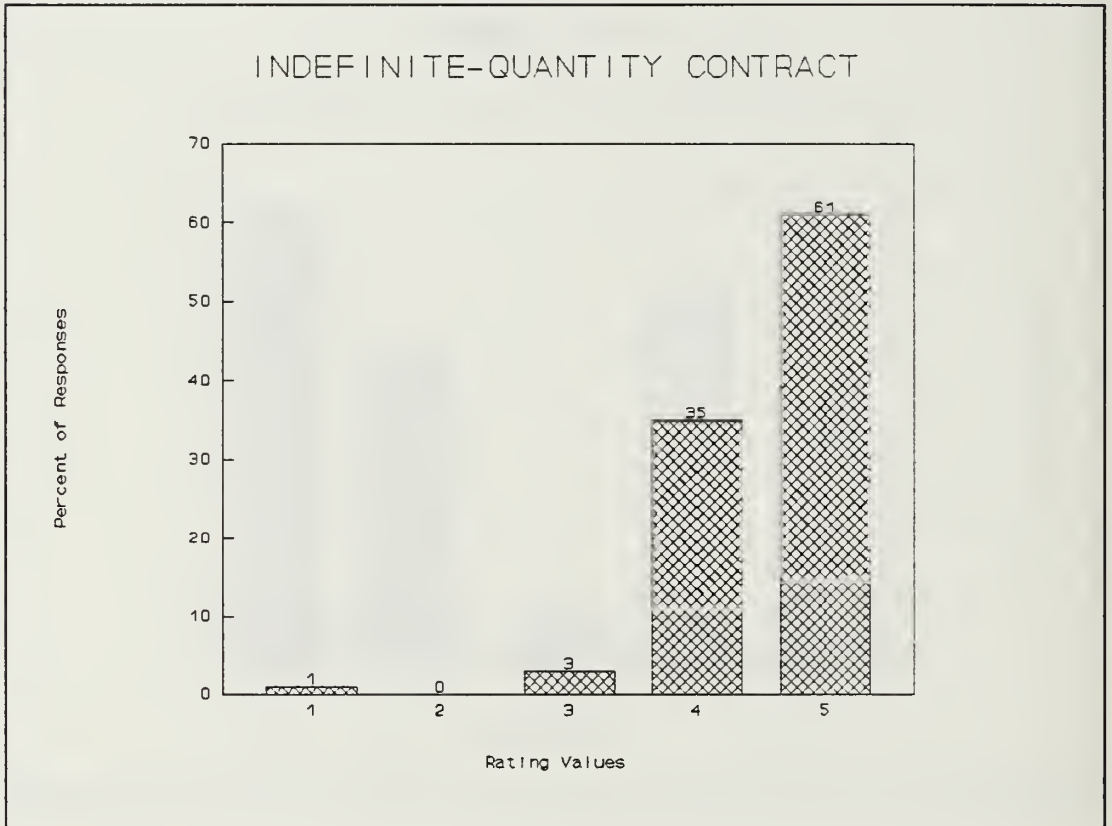
AVERAGE RESPONDENTS AGREEING: 99%

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated minimum quantity.

Synonyms: None.

Antonyms: None.



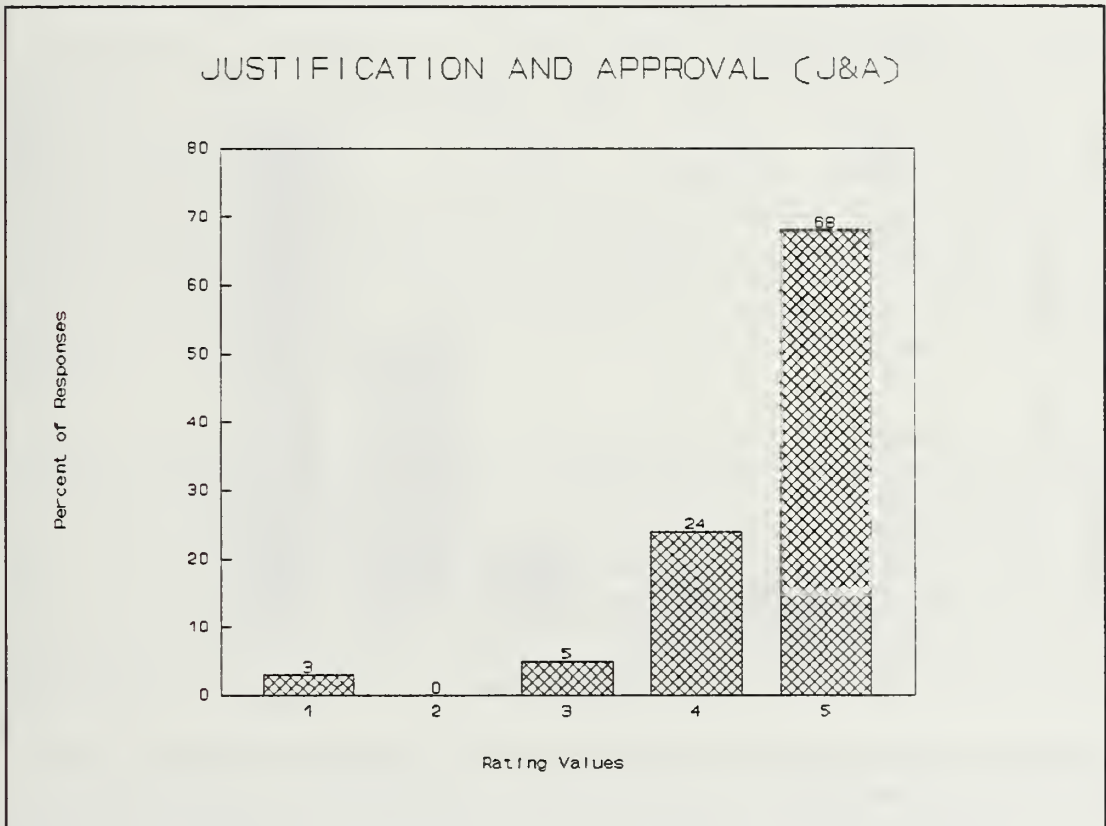
AVERAGE RESPONDENTS AGREEING: 99%

JUSTIFICATION AND APPROVAL (J&A)

A document, approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition).

Antonyms: None.



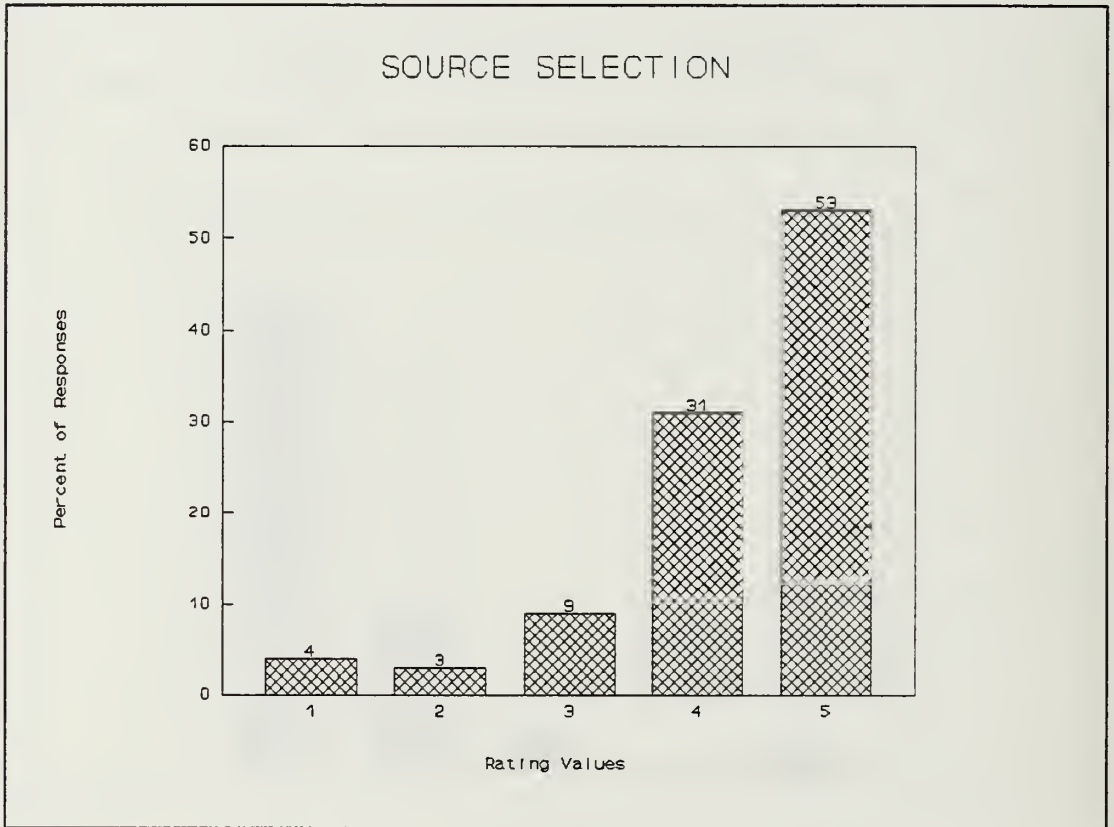
AVERAGE RESPONDENTS AGREEING: 97%

SOURCE SELECTION

The process wherein the requirements, policy, cost, and technical proposals, relevant to an award decision in a competitive procurement of goods and services are examined and an award decision is made.

Synonyms: None.

Antonyms: None.



AVERAGE RESPONDENTS AGREEING: 93%

APPENDIX B: INITIAL QUESTIONNAIRE AND REMINDER LETTER

This appendix represents the initial questionnaire which was mailed to Professional Contracts Managers and Certified Associate Contracts Managers, and the reminder letter which was mailed one week later.

A. INITIAL QUESTIONNAIRE

Graduate students at the Naval Postgraduate School, Monterey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio, are conducting research to derive baseline definitions for commonly used acquisition words or phrases. When the project is complete, the definitions will be included as part of a professional dictionary of contracting terminology. The purpose of the dictionary is twofold. First, to provide an educational tool to those unfamiliar with the acquisition process. Second, to provide a reference document for those working in the field.

The purpose of this questionnaire is to obtain feedback from contracting professionals regarding proposed definitions of contracting terms. All of the terms have been synthesized from collected definitions, government regulations and contracting literature and have been reviewed once by National Contract Management Association Fellows in an effort to obtain a consensus definition. The terms in this questionnaire were selected for refinement using the Delphi Technique due to the diversity of comments which they generated.

The Delphi Technique is a method of refining a viewpoint by resubmitting successive opinions for review by the same respondents until consensus is reached. This research will entail resubmitting initial opinions to the respondents twice. Therefore, it is requested that you include your name and address with your response to enable the researcher to include you in the subsequent reviews of the terms. Your responses will be considered confidential. Your name and address is requested solely for the purpose of conducting a second review.

Please review the definition provided for each contracting term. When reviewing, please feel free to make changes as you deem necessary. This may be done in any way which will be legible to the researcher, such as lining out words. Also, please include a short explanation for the change in the remarks section; this will aid the researcher in understanding your reasoning when reviewing the proposed definition.

Your participation in this research and response by 30 June 1992 is greatly appreciated. If you need any additional details, LCDR George Omechevarria can be contacted at (408) 899-0162, or by writing to:

LCDR George Omechevarria, SC, USN
SMC #2351
Naval Postgraduate School
Monterey, CA 93943-5000

Name: _____

Address: _____

ADEQUATE PRICE COMPETITION

A condition which exists when two responsible original equipment manufacturers compete independently and submit responsive proposals, and there is no evidence that competition was restricted or that the lowest price is likely to jeopardize performance by the offeror.

Synonyms: None.

Antonyms: Sole Source.

COMMENT: _____

CEILING PRICE

The maximum amount a customer is obligated to pay under a fixed-price type of contract that calls for some cost-sharing, such as FPIF.

Synonyms: None.

Antonyms: None.

COMMENT: _____

COMPONENT BREAKOUT

An acquisition strategy to convert some items, usually parts or self contained elements of a complete operating equipment end item, from contractor furnished to government purchased items.

Synonyms: None.

Antonyms: None.

COMMENT: _____

CONSTRUCTIVE CHANGE

An alteration to a contract which:

- usually arises from Government actions or inactions (e.g. defective specifications, nondisclosure of vital information, increases in quantity);

- requires the contractor to perform additional, less, or different work, which usually changes the scheduled performance or delivery; and

- is of such nature that it has the same effect as a written change order (operation of law) for which an equitable adjustment is sought.

Synonyms: Change by Implication, Unauthorized Change.

Antonyms: None.

COMMENT: _____

COST ANALYSIS

The review and evaluation of a contractor's cost or pricing data in order to determine the fairness and reasonableness of the contractor's proposed cost. All of the information presented by the seller in setting his cost is examined in an effort to ensure that the cost is fair and reasonable.

Synonyms: None.

Antonyms: None.

COMMENT: _____

DEVIATION

A specific written authorization to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of contract, specification or a referenced document for a specific number of units or a specific period of time.

Synonyms: Alteration, Departure.

Antonyms: None.

COMMENT: _____

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible offerors acting independently contend for a contract which results in the buyer receiving either (1) the lowest cost or price alternative or (2) the optimal combination of technical design coupled with a cost effective price.

Synonyms: None.

Antonyms: None.

COMMENT: _____

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated maximum quantity.

Synonyms: IDDQ.

Antonyms: None.

COMMENT: _____

JUSTIFICATION and APPROVAL (J&A)

A document, approved by an authorized Government procurement official, permitting other than full and open competition for a procurement action based on the recommendations of technical, requirements, contracting, and other similar acquisition personnel.

Synonyms: None.

Antonyms: None.

COMMENT: _____

SOURCE SELECTION

The process wherein the requirements, policy, cost, and technical proposals, relevant to an award decision in a competitive procurement of a system/project are examined and the decision made.

Synonyms: None.

Antonyms: None.

COMMENT: _____

B. REMINDER LETTER

About a week ago, you should have received a questionnaire regarding research to derive baseline definitions for commonly used acquisition words or phrases. If you have not yet received the questionnaire, please call me at (408) 899-0162, and I will fax you a copy immediately.

If you have already completed and returned the questionnaire, thank you for your cooperation. It is greatly appreciated.

If you have not yet returned the questionnaire, I urge you to do so by 30 June 1992 or as soon as possible thereafter. Your perspective is very important to this research which will be used, in part, to create a professional dictionary of contracting terminology.

If you need any additional details, feel free to contact LCDR George Omechevarria by telephone at (408) 899-0162, or by writing to:

LCDR George Omechevarria
SMC 2351
Naval Postgraduate School
Monterey, California 93943-5000

APPENDIX C: FIRST FOLLOW-ON QUESTIONNAIRE AND REMINDER LETTER

This appendix represents the first follow-on questionnaire which was mailed to the respondents from the initial questionnaire who provided names and addresses, and the reminder letter which was mailed one week later.

A. FIRST FOLLOW-ON QUESTIONNAIRE

Thank you for completing the initial questionnaire and participating in this follow-on research to arrive at consensus definitions of contracting terminology. Your efforts have provided an excellent base for the establishment of a consensus. This questionnaire will only be sent to those who responded to the initial questionnaire, so your continued participation is very important.

As a reminder: Graduate students at the Naval Postgraduate School, Monterey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio, are conducting research to derive baseline definitions for commonly used acquisition words or phrases. When the project is complete, the definitions will be included as part of a professional dictionary of contracting terminology that will be published by the NCMA. The purpose of the dictionary is two fold. First, to provide a an educational tool to those unfamiliar with the acquisition process. Second to provide a reference document for those working in the field. This research is an ongoing effort in obtaining feedback from contracting professionals regarding proposed definitions of contracting terms. It differs from the previous research in that it is taking terms from previous efforts which generated significant diversity, and is refining them using the Delphi Technique. All terms were synthesized from collected definitions, Government regulations and contracting literature and were reviewed once by NCMA Fellows and Certified professionals prior to your input on the initial questionnaire.

Attached for your review are the revised definitions based on comments received in response to the initial questionnaire. Please review the revised definitions and indicate your

agreement level on the scale provided from 1 to 5. If you have any disagreements or comments, please either annotate them where applicable, or write them on the space provided.

Your continued participation in this research and response by 8 September 1992 is greatly appreciated. If you need any additional details, contact LCDR George Omechevarria by telephone at (408) 646-2536 (Administrative Science Curriculum Office), or by writing to:

LCDR George Omechevarria
SMC #2351
Naval Postgraduate School
Monterey, California 93943-5000

Please include your name and address with your response to enable the researcher to include you in the final review of the terms.

NAME: _____

ADDRESS: _____

INDEFINITE-QUANTITY CONTRACT

Original Definition:

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated maximum quantity.

Synonyms: IDDQ.

Antonyms: None.

Revised Definition:

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated **minimum** quantity.

Synonyms: Indefinite Delivery Definite Quantify (IDDQ).

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	AGREE	SOMEWHAT AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

SOURCE SELECTION

Original Definition:

The process wherein the requirements, policy, cost, and technical proposals, relevant to an award decision in a competitive procurement of a system/project are examined and the decision made.

Synonyms: None.

Antonyms: None.

Revised Definition:

An evaluation of offers submitted in response to a solicitation ultimately resulting in an award decision.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	AGREE	SOMEWHAT	STRONGLY
DISAGREE	DISAGREE		AGREE	AGREE

COMMENT: _____

Synonyms: _____

Antonyms: _____

EFFECTIVE COMPETITION

Original Definition:

A market condition which exists when two or more responsible offerors acting independently contend for a contract which results in the buyer receiving either (1) the lowest cost or price alternative or (2) the optimal combination of technical design coupled with a cost effective price.

Synonyms: None.

Antonyms: None.

Revised Definition:

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract. This results in the buyer receiving either (1) the lowest cost or price alternative or (2) the optimal combination of technical design coupled with a fair and reasonable price.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	AGREE	SOMEWHAT	STRONGLY
DISAGREE	DISAGREE		AGREE	AGREE

COMMENT: _____

Synonyms: _____

Antonyms: _____

DEVIATION

Original Definition:

A specific written authorization to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, specification or a referenced document for a specific number of unit or a specific period of time.

Synonyms: Alteration, Departure.

Antonyms: None.

Revised Definition:

A specific written approval by an authorized agent to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, **Federal Regulation**, specification or a referenced document for a specific number of units or a specific period of time **under the contract**.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	AGREE	SOMEWHAT AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____

Antonyms: _____

JUSTIFICATION and APPROVAL (J&A)

Original Definition:

A document, approved by an authorized Government procurement official, permitting other than full and open competition for a procurement action based on the recommendations of technical, requirements, contracting, and other similar acquisition personnel.

Synonyms: None.

Antonyms: None.

Revised Definition:

A document, approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition)

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	AGREE	SOMEWHAT AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

ADEQUATE PRICE COMPETITION

Original Definition:

A condition which exists when two responsible original equipment manufacturers compete independently and submit responsive proposals, and there is no evidence that competition was restricted or that the lowest price is likely to jeopardize performance by the offeror.

Synonyms: None.

Antonyms: Sole Source.

Revised Definition:

A condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: Sole Source.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	AGREE	SOMEWHAT	STRONGLY
DISAGREE	DISAGREE		AGREE	AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

CEILING PRICE

Original Definition:

The maximum amount a customer is obligated to pay under a fixed-price type contract that calls for some cost-sharing, such as FPIF.

Synonyms: None.

Antonyms: None.

Revised Definition:

The maximum amount a **buyer** is obligated to pay under a fixed-price type contract.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	AGREE	SOMEWHAT	STRONGLY
DISAGREE	DISAGREE		AGREE	AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

COMPONENT BREAKOUT

Original Definition:

An acquisition strategy to convert some items, usually parts or self contained elements of a complete operating equipment end item, from contractor furnished to Government purchased items.

Synonyms: None.

Antonyms: None.

Revised Definition:

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate delivery to the systems contractor.

Synonyms: None.

Antonyms: Component breakout.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	AGREE	SOMEWHAT AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____

Antonyms: _____

CONSTRUCTIVE CHANGE

Original Definition:

An alteration to a contract which:

- usually arises from Government actions or inactions (e.g. defective specifications, nondisclosure of vital information, increases in quantity);

- requires the contractor to perform additional, less, or different work, which usually changes the scheduled performance or delivery; and

- is of such nature that it has the same effect as a written change order (operation of law) for which an equitable adjustment is sought.

Synonyms: Change by Implication, Unauthorized Change.

Antonyms: None.

Revised Definition:

An alteration to a contract which arises from a **buyer's** actions or inactions **requiring** the **seller** to perform additional, less or different work, which **may** change the schedule performance or delivery. **The alteration** is of such nature that it has the same effect as a written change order for which an equitable adjustment **may** be sought by the seller.

Synonyms: Change by Implication, Unauthorized Change.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	AGREE	SOMEWHAT	STRONGLY
DISAGREE	DISAGREE		AGREE	AGREE

COMMENT: _____

Antonyms: _____
Synonyms: _____

COST ANALYSIS

Original Definition:

The review and evaluation of a contractor's cost or pricing data in order to determine the fairness and reasonableness of the contractor's proposed cost. All of the information presented by the seller in setting his cost is examined in an effort to ensure that the cost is fair and reasonable.

Synonyms: None.

Antonyms: None.

Revised Definition:

An analysis of the elements of a proposed price for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	AGREE	SOMEWHAT AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____

Antonyms: _____

B. REMINDER LETTER

About a week ago, you should have received the first follow-on questionnaire regarding research to derive baseline definitions for commonly used acquisition words or phrases. If you have not yet received the questionnaire, please call me at (408) 899-0162, and I will fax you a copy immediately.

If you have already completed and returned the questionnaire, thank you for your cooperation. It is greatly appreciated.

If you have not yet returned the questionnaire. I urge you to do so by 8 September 1992 or as soon as possible thereafter. Your perspective is very important to this research effort.

If you have any additional questions, feel free to contact LCDR George Omechevarria by telephone at (408) 899-0162, or by writing to:

LCDR George Omechevarria
SMC #2351
Naval Postgraduate School
Monterey, California 93943-5000

APPENDIX D: SECOND FOLLOW-ON QUESTIONNAIRE AND REMINDER

LETTER

This appendix represents the second follow-on questionnaire which was mailed to the respondents from the first follow-on questionnaire who provided names and addresses, and the reminder letter which was mailed on week later.

A. SECOND FOLLOW-ON QUESTIONNAIRE

On behalf of the Naval Postgraduate School, Dr. David Lamm and myself, I would like to extend a grateful "thank you" for your continued involvement with this research effort.

This is the last questionnaire that you will receive and once again your participation in this research and your response by 23 October 1992 is greatly appreciated.

If you need any additional details, contact LCDR George Omechevarria by telephone at (408) 646-2536 (Administrative Sciences Curriculum Office), or by writing:

LCDR George Omechevarria
SMC #2351
Naval Postgraduate School
Monterey, California 93943-5000

Please, complete the following:

Name: _____

Address: _____

INDEFINITE-QUANTITY CONTRACT

Definition:

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated minimum quantity.

Synonyms: Indefinite Delivery Definite Quantify (IDDQ).

Antonyms: None.

Revised Definition:

There was strong enough consensus on the last survey that further revision is unsupported. Any comments that would move your degree of agreement to (5) STRONGLY AGREE, would be appreciated.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

SOURCE SELECTION

Definition:

An evaluation of offers submitted in response to a solicitation ultimately resulting in an award decision.

Synonyms: None.

Antonyms: None.

Revised Definition:

The process wherein the requirements, policy, cost, and technical proposals, relevant to an award decision in a competitive procurement of goods and services are examined and an award decision made.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	SOMEWHAT	AGREE	STRONGLY
DISAGREE	DISAGREE	AGREE		AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

EFFECTIVE COMPETITION

Definition:

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract. This results in the buyer receiving either (1) the lowest cost or price alternative or (2) the optimal combination of technical design coupled with a fair and reasonable price.

Synonyms: None.

Antonyms: None.

Revised Definition:

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	SOMEWHAT	AGREE	STRONGLY
DISAGREE	DISAGREE	AGREE		AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

DEVIATION

Definition:

A specific written approval by an authorized agent to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, Federal Regulation, specification or a referenced document for a specific number of units or a specific period of time under the contract.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

Revised Definition:

A specific written approval by an authorized individual to depart from a Federal Regulation, particular performance or design requirement of a contract, specifications, or a referenced document.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

JUSTIFICATION and APPROVAL (J&A)

Definition:

A document, approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition)

Antonyms: None.

Revised Definition:

There was strong enough consensus on the last survey that further revision is unsupported. Any comments that would move your degree of agreement to (5) STRONGLY AGREE, would be appreciated.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

ADEQUATE PRICE COMPETITION

Definition:

A condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: Sole Source.

Revised Definition:

There was strong enough consensus on the last survey that further revision is unsupported. Any comments that would move your degree of agreement to (5) STRONGLY AGREE, would be appreciated.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY	SOMEWHAT	SOMEWHAT	AGREE	STRONGLY
DISAGREE	DISAGREE	AGREE		AGREE

COMMENT: _____

Synonyms: _____

Antonyms: _____

CEILING PRICE

Definition:

The maximum amount a buyer is obligated to pay under a fixed-price type contract.

Synonyms: None.

Antonyms: None.

Revised Definition:

The maximum amount a buyer is contractually obligated to pay a seller.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

COMPONENT BREAKOUT

Definition:

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate delivery to the systems contractor.

Synonyms: None.

Antonyms: Component breakback.

Revised Definition:

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate buyer integration or delivery.

Synonyms: None.

Antonyms: Component breakback.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

CONSTRUCTIVE CHANGE

Definition:

An alteration to a contract which arises from a buyer's actions or inactions requiring the seller to perform additional, less or different work, which may change the schedule performance or delivery. The alteration is of such nature that it has the same effect as a written change order for which an equitable adjustment may be sought by the seller.

Synonyms: Change by Implication, Unauthorized Change.

Antonyms: None.

Revised Definition:

There was strong enough consensus on the last survey that further revision is unsupported. Any comments that would move your degree of agreement to (5) STRONGLY AGREE, would be appreciated.

Synonyms: Change by Implication.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

COST ANALYSIS

Definition:

An analysis of the elements of a proposed price for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: None.

Revised Definition:

An analysis of the elements of an offer for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: None.

Do you agree with this definition?

-----1-----	-----2-----	-----3-----	-----4-----	-----5-----
STRONGLY DISAGREE	SOMEWHAT DISAGREE	SOMEWHAT AGREE	AGREE	STRONGLY AGREE

COMMENT: _____

Synonyms: _____
Antonyms: _____

B. REMINDER LETTER

About a week ago, you should have received the second and last follow-on questionnaire regarding research to derive baseline definitions for commonly used acquisition words or phrases. If you have not yet received the questionnaire, please call me at (408) 899-0162, and I will fax you a copy immediately.

If you have already completed and returned the questionnaire, thank you for your cooperation. It is greatly appreciated.

If you have not yet returned the questionnaire, I urge you to do so by 23 October 1992 or soon thereafter.

If you need any additional details, contact LCDR George Omechevarria at (408) 899-0162 or by writing:

LCDR George Omechevarria
SMC #2351
Naval Postgraduate School
Monterey, California 93943-5000

APPENDIX E: COMPREHENSIVE LISTING OF CONSENSUS DEFINITIONS

Appendix E is a comprehensive listing of terms recommended for acceptance as consensus definitions in this thesis.

ADEQUATE PRICE COMPETITION

a condition whereby two or more responsible and independent offerors submit responsive priced bids or proposals to a solicitation.

Synonyms: None.

Antonyms: None.

CEILING PRICE

The maximum amount a buyer is contractually obligated to pay a seller.

Synonyms: None.

Antonyms: None.

COMPONENT BREAKOUT

A buyer's acquisition strategy to convert the source of an item, usually a part or a self-contained element of a complete operating equipment end item, from a systems contractor to one or more contractors for ultimate buyer integration or delivery.

Synonyms: None.

Antonyms: Component breakback.

COST ANALYSIS

An analysis of the elements of an offer for which the offeror has provided a cost breakdown to ascertain reasonableness, allocability, and allowability as a basis for negotiating a fair and reasonable price.

Synonyms: None.

Antonyms: Price Analysis.

CONSTRUCTIVE CHANGE

An alteration to a contract which arises from a buyer's actions or inactions requiring the seller to perform additional, less or different work, which may change the schedule performance or delivery. The alteration is of such nature that it has the same effect as a written change order for which an equitable adjustment may be sought by the seller.

Synonyms: Change by Implication.

Antonyms: None.

DEVIATION

A specific written approval by an authorized individual to depart from a Federal Regulation, a contract, specifications, or a referenced document.

Synonyms: Alteration, Departure.

Antonyms: Compliance.

EFFECTIVE COMPETITION

A market condition which exists when two or more responsible and responsive offerors acting independently contend in a competitive environment for a contract.

Synonyms: None.

Antonyms: None.

INDEFINITE-QUANTITY CONTRACT

An indefinite-delivery contract which provides an indefinite quantity, within stated limits, of specified supplies or services. The Government is obligated to order until the contractor has delivered the stated minimum quantity.

Synonyms: None.

Antonyms: None.

JUSTIFICATION AND APPROVAL (J&A)

A document, approved by an authorized Government official, permitting other than full and open competition for a procurement action based on the recommendations of appropriate acquisition personnel and supported by evaluation of policy, cost, schedule and performance requirements.

Synonyms: JOFOC (Justification for Other than Full and Open Competition).

Antonyms: None.

SOURCE SELECTION

An evaluation of offers submitted in response to a solicitation ultimately resulting in an award decision.

Synonyms: None.

Antonyms: None.

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