

QUESTIONS FOR COMMERCIAL ORGANIZATIONS

The following questions pertain to the buying of commercial goods and services by your organization.

1. What type of contracting vehicles (e.g., competitive award, IDIQ) do you typically use when buying services (or goods)?
 - a. What types of goods and services do you procure? Please break-out by percent or number goods, services, construction, and real property.
 - b. What types of services do you procure?
 - c. To what degree does your company use head-to-head competition for services?
 - d. If you do not use head-to-head competition, how do you determine whether your company is receiving the most favored customer price?
 - e. How frequently do you recompete services contracts?
 - f. How do you determine what companies to solicit for your purchases?
 - g. How do you notify companies that you want them to compete for your requirements?
 - h. When you compete requirements, do you limit the number of bidders or which companies can compete? If so, how and why?
 - i. Where you use competition, can you provide any averages or estimates for the time between the solicitation of offers and the award of contracts?
2. To what extent do you use fixed-price contracts for services?
3. Does your company use time and materials contracts for services? If so, under what conditions and limitations?
4. If you track it, what was your cost-to-spend ratio during your last fiscal year?
 - a. How relevant do you believe your cost-to-spend ratio is to your organization's ability to conduct effective procurement?
5. Does your company enter into large contract vehicles for certain types of services which are available to other business units to meet their requirements?
 - a. What policies and procedures within the larger organization are in place to require the use of such vehicles?

- b. What conditions or limitations are imposed on the use of such vehicles by other parts of the organization?
 - c. How do you decide whether to use commercial catalogs, indefinite quantity contracts, or conduct a competition to satisfy a requirement?
6. What percentage of your purchases is awarded on the basis of the low bid as compared with awards based on best value?
7. Do you consider prospective suppliers' ability to perform satisfactorily (*i.e.*, including experience, personnel, equipment, performance record, *etc.*) separately from the low price and particular technical approach?
- a. If so, what factors do you consider?
 - b. How do you weight price and non-price related factors in negotiating contracts?
 - c. Do your policies or practices provide limits or guidance on the "price premium" (*i.e.*, the amount that exceeds the low price of an otherwise acceptable offer) that can be paid for the non-price evaluation factors?
 - d. What if any internal review or approvals are required if a price premium is to be paid?
 - e. Do you get cost-type information from prospective vendors? How and under what circumstances do you get cost-type data?
 - f. Do you evaluate the prospective supplier's ability to perform satisfactorily before or after bids or proposals are evaluated? If you evaluate past performance when selecting a supplier of goods or services, how do you do this?
8. What methods do you use to assess the prices for service contracts?
- a. Please describe the methods you use.
 - b. Regardless of the method you use to evaluate the price for service contracts, how do you satisfy yourself that the price you have negotiated is the right price?
 - c. What price-related information do you obtain during negotiations for goods or services?
 - d. How do you price goods or services when there is only one source for the commercial goods or services?
 - e. What limitations or restrictions do you have in place regarding award of sole source contracts?
 - f. Do you conduct market research, especially regarding prices, prior to your issuance of the solicitation?

- g. Do you contact other companies to get pricing information?
 - h. Are there industry benchmarks available for your use in determining market prices? If so, please list the industry benchmarks you use.
9. In your company, what organizational relationship exists between those who establish the requirements (“what” is to be purchased) and the buying function?
- a. Are the requirements and acquisition people together in the same organization or do they work jointly in conducting an acquisition?
 - b. In establishing requirements, what use is made of market research and how is it conducted?
10. Do you have policies or practices intended to assure that the statement of work or specification does not contain unnecessary requirements?
- a. Can you estimate the time (or average times) normally taken to establish such requirements?
 - b. Do the average times for establishing requirements vary significantly depending on the type or item or service to be purchased?
 - c. Do the average times for establishing requirements vary significantly depending on the estimated cost (high, medium, or low) of the item or service to be purchased?
11. Does your company use performance-based solicitations for services? By performance-based, we mean do you solicit bids on the basis of the results to be achieved, rather than the specific activities to be performed?
- a. If you use performance-based contracting, how do you baseline the requirements such that performance can be clearly measured?
 - b. What types of performance incentives do you use?
 - c. How do you monitor and manage the contract post-award to see that the desired performance is achieved?
12. What are the major terms you typically include in your contracts for services? [If you have standard terms and conditions, we would welcome a copy. Anything that is proprietary or confidential should be appropriately marked].
- a. Under what circumstances does your company obtain rights by contract to audit vendors’ costs?

- b. What are your typical terms for treatment of Seller's intellectual property used in the performance of the contract?
 - c. What are your typical terms for treatment of intellectual property developed during the course of the contract?
13. What are the major terms you typically include in your contracts for goods? [If you have standard terms and conditions, we would welcome a copy. Anything that is proprietary or confidential should be appropriately marked].
14. As a buyer of commercial items or services, do you ever renegotiate your "standard" terms and conditions?
15. As a buyer of commercial items or services, do you ever accept the standard terms offered by the seller?
- a. Specifically, what limitations on the Seller's liability do you provide in your agreements?
16. How does your company use technology, as a buyer of commercial services (and goods)? For instance, do you rely on electronic ordering, electronic invoicing and electronic payment?
17. Administrative Questions:
- a. How many employees do you have in your purchasing office?
 - b. For the people in your company responsible for conducting services acquisitions, what type and level of experience are they required to have before participating in such a procurement?
 - c. What, if any, special training do the acquisition personnel in your company receive? Is it mandatory?
 - d. Do you require professional certification for employees of your purchasing office? What about the individuals responsible for determining technical requirements (e.g., program or project managers)? If so, what type of certifications do you require?
 - e. What was the total dollar value of the purchases your office made in your last fiscal year?
 - f. How many purchases did your purchasing organization(s) make in the last fiscal year?
 - g. Do you measure the time between receiving a request to purchase and the time you make contract award? If so, what was your average time from request to contract?