

2015 Small Business Government
Contracting Series

**ADMINISTERING YOUR
FEDERAL CONTRACT**

May 19, 2015



**Providing expert technical
assistance to
FEDERAL, STATE and LOCAL
GOVERNMENT
Contractors
And Subcontractors**

**A Procurement Technical
Assistance Center (PTAC)
Serving the Wisconsin Business
Community**

WPI Offices located at:

Milwaukee County Research Park

10437 Innovation Drive, Suite 320

Milwaukee, WI 53226

414-270-3600 FAX: 414-270-3610

Juneau County Economic Development Corp.

122 Main St - Camp Douglas, WI 54618

608-427-2455 FAX: 608-427-2086

Western Dairyland EOC, Inc.

418 Wisconsin St. - Eau Claire WI 54703

608-427-2455 FAX: 608-427-2086

Fox Valley Technical College – DJ Bordini Center

5 Systems Drive – Appleton WI 54912

920-840-3771 FAX: 414-270-3610

Racine County Economic Development Corporation – Launch Box

141 Main Street, Suite 2, Racine, WI 53403

414-270-3600 FAX: 414-270-3610

Madison Enterprise Center

100 S. Baldwin St., Madison, WI 53703

608-444-0047 FAX: 414-270-3610

Food Enterprise & Economic Development (FEED)

1219 N. Sherman Ave., Madison, WI 53704

608-444-0047 FAX: 414-270-3610

Wausau Region Chamber of Commerce

200 Washington Street, Wausau, WI 54403

920-456-9990 FAX: 414-270-3610

www.wispro.org - info@wispro.org

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UPCOMING EVENTS

02/26/2015
FEDERAL PRIME CONTRACTOR GROUP MEETING
ST. FRANCIS (MILWAUKEE) »

03/03/2015
SMALL BUSINESS GOVERNMENT CONTRACTING
SERIES: SELLING TO THE DEPARTMENT OF VETERANS
AFFAIRS
WAUWATOSA »

03/04/2015
ACQUISITION HOUR: LEARNING ABOUT WAWF - IRAPT
WEBINAR »

03/09/2015
ENTERING THE GOVERNMENT MARKET - A PRIMER
RACINE »

03/11/2015
ACQUISITION HOUR: PREPARING FOR CSPR AUDIT
WEBINAR »

CURRENT OPPORTUNITIES (7)

GET STARTED WITH THE BASICS

Questions & answers on how to get started.

[GET STARTED](#)

SIGN-UP FOR OUR NEWSLETTER

Stay up-to-date with the latest WPI news.

[SIGN UP](#)

HAVE A QUESTION? WE'RE HERE TO HELP.

One of our staff of experts is available to answer your questions.

[GET HELP](#)

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SERVICES OFFERED BY WPI

- FREE Bid Matching Services
- Individual Counseling and Assistance
- Locating Local, State and Federal Opportunities
- Government Market Strategy Development
- Training in use of Government websites and tools
- Assistance with System for Award Management (SAM) Registration
- Assisting in Market Research Process
- Development of Market Profile
- Small Business Subcontracting Plans-Development, Outreach and Reporting
- Small Group Training
- Outreach and training with Local, State and Federal agencies
- Assist with Pre and Post Award Functions
- Assistance with Agency Specific Contracting Requirements
- Assistance with Contracting Regulations and Requirements, including FAR, DFAR, CFR
- Assistance with GSA Schedule Preparation and Administration
- Assistance with Local, State and Federal Certifications, including:
 - Service Disabled & Veteran Owned Small Business, HUBZone, Woman Owned Small Business, 8(a) Business Development Program
 - State
 - Local
 - DBE
- Bid Review and Submission Assistance
- Proposal and Assistance, Review and Submission Assistance
- Capabilities Statement and Related Government Marketing Material Development
- Assistance in Locating and Developing Teaming Partners and Subcontractors
- Updated Government Market Information

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What we will Cover Today

- Planning for a successful contract
- Subcontractors and suppliers
- Various contractual issues
- Contract closeout



Contract Administration Planning

- Read the contract before signing and again before performing the work required. The entire document embodies the agreement of the parties.
- Understand the Definitions of Key Contract Terms and Clauses.
- Set up a Contract File, may need both paper and electronic.
- Return any additional required documents to the contracting officer. Keep copies in your file. Document what date documents were sent.
 - Insurance Certificates, Bonds
 - Contract Implementation Plan, Subcontracting Plan
- Set up customer account for that specific government agency office.
- If required, make sure accounting system satisfies FAR requirements.

Postaward Orientation

- Attend Postaward Orientation meeting. Noncomplex contracts may just receive a letter. For complex contracts, make arrangements for key personnel or subcontractors to also attend.
- Determine which government personnel has the contracting authority and who does not have contracting authority. The contracting officer or administrative contracting officer will have contracting authority. A program manager or Contracting Officer's Representative (COR) generally lacks contracting authority.
- Review any Delegation of Authority Memorandum provided.

Postaward Orientation

- Identify all key government personnel and obtain contact information for them.
- Request clarification of any thing you are unsure of within the contract.
- Do not promise anything you are unable to do.
- Understand the level of contract surveillance by the government.
- Document your contract file.

Subcontracting

- Understand Privity of Contract
- Large business prepare a formal small business subcontracting plan, if required. Keep copy in your file. Document efforts in locating small business subs.
- Under small business set asides know the level of effort your small business needs to provide.
- Sign agreements with subcontractors and suppliers. Understand what contract terms and conditions flow down to subcontracts and suppliers. Set up necessary files.
- Monitor performance provided by subcontractors and suppliers.
- Understand Government's socioeconomic policies impact on subcontracts.

Contract Period

- Try to mitigate potential contract misinterpretations.
- For contradictions, conflicts or ambiguities apply the Order of Precedence Clause using first the schedule; representations and other instructions; contract clauses; other documents, exhibits, and attachments; and the specification. Contract may specify if drawings or specification takes precedence.
- Keep SAM registration current AND active.
- Maintain good lines of communication with the key government personnel. Advise contracting officer of problems and have potential solutions ready.

Invoicing, Payments, and Financing

- Have appropriate financing available before contract award. SBA can assist with financing.
- Know when (how often) you can invoice and what is required on the invoice. Know where and how to file invoices. Make required changes on invoices if contract identification numbers change during the contract period.
- Understand when and how payment will be made.
- Make timely payments to subcontractors and suppliers.
- Document your file.

Government Audits

- Defense Contract Audit Agency (DCAA) is the responsible Government audit agency.
- Know what audit rights the Government has under your contract. Audits are not usually done under commercial item contracts.
- Realize potential contractual impact if you do not provide requested audit information. On-site audits are possible.

Reports

- Maintain an acceptable timekeeping system.
- Maintain an acceptable recordkeeping system.
- Generate reports as specified within the contract.
- Provide all reports on a timely basis.

Cost Principles

- Generally applies to cost-reimbursement contracts and contracts with cost-reimbursement line items.
- Costs are allowable when the cost complies with all of the following:
 - Reasonableness
 - Allocability
 - Standards by the CAS Board, otherwise generally accepted accounting principles
 - Terms of the contract
 - Any limitations set forth in FAR Part 31.
- Considers direct and indirect costs.
- Final Indirect cost rate proposal is submitted to the contracting officer.

Inspection and Acceptance

- Understand when the Government may inspect.
- Understand how acceptance will occur. Usually at the time of delivery, however, may take place before delivery or after delivery depending on the terms of the contract.
- Acceptance is the responsibility of the contracting officer which is generally delegated to someone else.
- Understand when the title of the supplies passes to the Government.

Changes and Modifications

- Contract modifications are either bilateral (supplemental agreement) or unilateral.
- Generally change orders require 2 documents, the change order and the supplemental agreement reflecting the resulting equitable adjustment.
- Do not provide additional work without a executed contract modification.
- Do take a verbal authorization in the case of an emergency.
- Modifications are completed with a Standard Form (SF) 30. Contracting Officer is responsible to obtain funding for the modification.

Equitable Adjustments, Claims and Disputes

- Government policy is to resolve all contractual issues in controversy by mutual agreement at the contracting officer's level. Reasonable efforts should be made to resolve controversies prior to the submission of a claim.
- Agencies are encouraged to use Alternative Dispute Resolution (ADR) procedures.
- All claims over \$100,000 must include the contractor certification.
- Contractor must continue contract performance.
- Contractor has 6 years after accrual of a claim to file a claim. There are stiff penalties for false claims.

Sale of Company & Name Change

- Notify the contracting officer in writing when you sell your business or change the name of your business.
- Contractor is responsible to provide an entire list of documents supporting the change and updating SAM.
- Contracting officer is responsible for processing the novation and change-of-name agreements.

Performance Delays

- Government may issue a Stop Work Order to suspend work.
- If the suspension is unreasonable, the contractor may submit a written claim for increases in the cost of performance, excluding profit.
- If a contractor needs to delay performance, immediately communicate with the contracting officer by phone and then follow up in writing.

Formal Government Remedies

- Liquidated Damages
- Warranties
- Cure or Show Cause Notices
- Nonconforming Supplies or Services

Lawyers

- Most contractual issues can be resolved without the use of lawyers, however, use one when the situation warrants.
- Agencies require legal review before a contracting officer can complete a number of contractual actions. This does not mean you need your lawyer to participate.
- If you bring your lawyer then the Government must bring their lawyer. Which may result in a delay, as their lawyer may not be available and the lawyer will also have to provide the contracting officer with a legal opinion.
- Lawyers add additional costs to the contract that may or may not be able to be recovered.

Monitoring Performance/Quality Assurance

Contractor responsible for

- Controlling the quality of supplies or services.
- Delivering only those supplies or services that conform to contract requirements
- Ensuring suppliers have an acceptable quality control system
- Providing evidence supplies or services conform to the government, when required by the contract.
- Performing all inspections and tests required by the contract.

Orders and Options

- Know who has the authority to place an order against the contract. Do not accept orders from government employees lacking the authority. Contracts usually have limits on the minimum and maximum amounts orders can include.
- Options are generally the unilateral right of the Government, unless they miss the timeframe to exercise the option, then it becomes bilateral.
- Know when you have to accept orders and options and when you have the right to refuse them.

Contract Close Out

- Return Government Issued Property as called for within the contract. Document return appropriately in your file.
- If possible, settle any remaining disputes and claims. Contractors have 6 years after date of final payment to file a claim.
- Review payments to determine all payments were received.
- Make final payments to all subcontractors and suppliers.
- Close out the file. Recommend retaining contract file for a minimum of 6 years. Keep longer if required by the contract.

Final Words

Maintain a complete contract file by **documenting, documenting, and documenting.**

Resources:

- FAR: <http://www.acquisition.gov/far/>
- Federal Business Opportunities (FedBizOpps) website - <https://www.fbo.gov/>
- Wisconsin Procurement Institute
Phone: 414-270-3600
www.wispro.org



Upcoming WPI Events

- *Small Business Government Contracting Series continues the first and third Tuesday of each month through June, 2015 – Milwaukee, WI*
- *Acquisition Hour (Weekly Webinar) through June, 2015*
- *Federal Acquisition Regulations (FAR) – The Basics – June 17, 2015 – Appleton, WI*
- *Doing Business with the National Park Service – June 23, 2015 – Ashland, WI*
- *Women in Business - Selling to the Government and Large Primes – June 24, 2015 – Milwaukee, WI and June 25, 2015 – Madison, WI*
- *How to Do Business with the Department of Veterans Affairs – July 21, 2015 – Green Bay, WI and July 22, 2015 – Iron Mountain, MI*
- *9th Annual Volk Field Small Business Conference – July 29 – 30, 2015 – Camp Douglas, WI*
- *Marketplace 2015 – October 29-30, 2015 – Milwaukee, WI*

9TH ANNUAL VOLK FIELD SMALL BUSINESS CONFERENCE –

CONTRACTING IN TIMES OF EMERGENCY, DISASTERS AND CRISIS

July 29 – 30, 2015 – Camp Douglas, WI



Sponsored and Hosted by:

- Volk Field Air National Guard Base
- Juneau County Economic Development Corporation
- US Small Business Administration
- Western Dairyland
- Wisconsin Procurement Institute
- Monroe County Economic Development
- SBDC – UW La Crosse
- Northwest Michigan PTAC

PROGRAM HIGHLIGHTS:

Current Issues in Government Contracting
Contracting Opportunities in Emergency
Preparedness and Disaster Relief
Networking and Individual Meetings
Capabilities Statement Exhibit
Capabilities Presentation Competition
Financing and Bonding for your Small
Businesses
Social Media

UPDATED information will be posted to

<http://tinyurl.com/Volk2015> or contact David Olson at 608-427-2455 or davido@wispro.org

For Assistance or Additional Information - Contact

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