

**APPENDIX A**  
Glossary of Terms

**Competition in Contracting Act (CICA)** is the 1984 Act that amended the Armed Services Procurement Act and the Federal Property and Administrative Services Act of 1949 to, among other things, enhance competition in Federal contracting by requiring a justification for most procurements in which full and open competition would not be obtained. Procurements under the AbilityOne Program are exempt from the competition and justification requirements of CICA. (FAR 6.302-5(b)(2), (c)(2)(ii)).

**Contracting Activity** means any element of an entity of the Government that has responsibility for identifying and/or procuring Government requirements for products or services. Components of a contracting activity, such as a contracting office and an ordering office, are incorporated in this definition, which includes all offices within the definitions of "procurement activity," "contracting activity," "contracting office," and "contract administration office" contained in the Federal Acquisition Regulation, 48 CFR 2.101. (41 CFR 51-1.3.)

**General and Administrative Expense (G&A)** is allowable management, financial and other expense which is incurred by or allocated to a business unit and which is for the general management and administration of the business as a whole.

**Market prices** are current prices that are established in the course of ordinary trade between buyers and sellers, free to bargain and that can be substantiated from sources independent of the offeror.

**Market research** is a process to collect, organize, maintain, analyze and present data for maximizing the capabilities, technology and competitive forces of the marketplace to meet an organization's need for supplies or services. See FAR Part 10 for detailed definition and procedures.

**Negotiation** means a flexible process that includes the receipt of a proposal from an offeror, and permits bargaining. Bargaining in the sense of discussion, persuasion, alteration of initial assumptions and positions and give and take may apply to price, schedule, technical requirements and other terms of the proposed contract. See FAR Part 15 for information on contract negotiation.

**Net Proceeds** is used in OMB Circular A-122, Cost Principles for Nonprofit Organizations, as part of the definition of a nonprofit agency that "uses its net proceeds (revenues less expenses) to maintain; improve; and/or expand its operations."

**Overhead** is allowable indirect costs that are incurred for the benefit of more than one project or cost objective (e.g., facility costs), and are charged to more than one project or cost objective. Overhead costs are accumulated by logical cost groupings and generally accepted accounting practices and distributed based on benefits accruing to the several cost objectives.