

APTAC Body of Knowledge Competency Guide

D. Basics of Contracting with Government Entities

D.8 Negotiation of Government Contracts, Skills and Techniques

Description

- a. Negotiation is a part of everyday life. In the government world, negotiation is particularly important because the government must obtain supplies and services from responsible sources at fair and reasonable prices reflecting the “best value” for the government.
- b. Factors of a successful negotiation:
 1. Effective Prepare and Plan
 2. Set the Right Tone Upfront
 3. Communicate Effectively
 4. Understand Your Circumstances
 5. Project Honesty
 6. Foster Team Cooperation
 7. Apply Good Business Judgment
- c. Government Policy on Price Negotiations (FAR 15.405)
- d. Negotiations Terminology
 1. Opening offers
 2. Zone of Potential Agreement
 3. Concession patterns
 4. Bottom Line and Anchoring
 5. Best Alternative to Negotiated Agreement
 6. Worst Alternative to Negotiated Agreement
 7. Win-Win Negotiations
- e. Negotiation Styles
- f.
 1. Position-Based Negotiation
 2. Interest-Based Negotiation
 - (a) Identify Interests of Each Negotiating Partner
 - (b) Develop Options
 - (c) Identify Standards to Evaluate Options
 - (d) Reach Resolutions
- g. Order of Preference in Negotiation
 1. Mutual Agreement through a Bottom Line Price Approach
 2. Focus on High-Cost Items
 3. Negotiate Element by Element
 4. Refer Contract Action to Higher Level

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Federal Acquisition Regulation Part 15 “Contracting by Negotiation”

Defense Acquisition University – CLC 047 [Contract Negotiation Techniques](#)

Garrett, Gregory A. [Contract Negotiations](#), CCH Inc.