

Procurement Management Session Test

1. A contractual action that authorizes commencement of work prior to the establishment of a final definitive price but less than the “not to exceed” price is known as a(n):
 - a. Undefined contractual action
 - b. Letter contract/Letter of Intent (LOI)
 - c. Constructive change
 - d. Request for Bid

2. Which of the following is **not** a viable acquisition method?
 - a. Request for Information (RFI)
 - b. Invitation for sealed bids
 - c. Negotiating a price through bargaining
 - d. Purchase order

3. When using an Invitation for Bids (IFBs) acquisition method, you should typically do all of the following **except**:
 - a. Create a clear and concise description of the product or service required
 - b. Establish the price that you wish to pay
 - c. Open the bid to all potential qualified vendors
 - d. Prepare procedures for evaluating the bids received

4. In which of the following circumstance(s) would you most likely procure the goods or services instead of producing them in-house?
 - a. Your company has excess capacity and your company can produce the goods or services
 - b. Your company has no excess capacity and cannot produce the goods or services
 - c. There are many reliable vendors for the goods or services that you are attempting to procure but the vendors cannot achieve your level of quality
 - d. Your company has skills in a critical area that require development

5. Which of the following contract types has the highest risk to the seller?
 - a. Firm Fixed Price (FFP)
 - b. Time and Materials (T&M)
 - c. Cost Plus Fixed Fee (CPFF)
 - d. Cost Reimbursable

6. In which type of contract arrangement is the buyer at the greatest risk of absorbing excessive cost overruns?

- a. Cost Plus Percentage of Cost
- b. Firm Fixed Price
- c. Time and Materials
- d. Fixed Price Incentive Firm Target

7. You are the Project Manager responsible for the completion of a global project. Project teams will be located in several countries around the world although contract execution will be driven by a single contract. As the buyer's Project Manager, you should accomplish the following during procurement planning:

- a. Establish evaluation criteria to ensure all project teams can communicate
- b. Issue an RFI to determine potential sources in the other countries
- c. Choose the type of contract to use considering the various countries' legal requirements
- d. Document in the statement of work how the country project teams will report progress

8. Which of the following conditions is **not** required for a contract to be regarded as a legal and binding document?

- a. Mutual agreement
- b. Fixed monetary value
- c. Contract capacity
- d. Legal purpose in a form provided by law

9. Contract close-out is similar to the project's administrative closure in that both involve:

- a. Negotiation
- b. Planning and execution
- c. Product verification and administrative close-out activities
- d. Cost-benefit analyses

10. The Statement of Work (SOW) document is:

- a. A non-binding document used to determine the responsibilities of the seller
- b. A definition of the contracted work used only for government contracts
- c. A narrative description of the work to be accomplished and/or the resource skills required
- d. A listing of contract deliverables

11. Which of the following does **not** affect a seller's ability to perform the contracted activities after the contract is signed?

- a. A poor definition of contract deliverables
- b. The extent of project subcontracting
- c. The complexity of the contracted effort
- d. The contract type

Procurement Management Session Test Answers

1. b
2. a
3. b
4. b
5. a
6. a
7. c
8. b.
9. c
10. c
11. d