

Bidding on Government Contracts

Here are some things to consider before submitting offers on Government Contracts.

1. You will be required to complete the job within the contract time at the contract price.
2. If you fail to complete the job within the contract time or fail to progress at a rate that assures completion within contract time, the Government may get someone else to complete the job, charging you with any reprocurement costs which may result, such as the additional cost of a new contract over your contract price.
3. New offerors tend to overestimate the amount of work they can complete in a day, for example they may underestimate the size of a hectare. The acreage in the solicitations is computed on the horizontal plane, a bidder must adjust the acreage due to the slopes of the land.
4. You will need fire tools as required by each solicitation - investigate this cost before bidding
5. Visit the project sight to see what the terrain looks like, the density of the stand, existing slash and debris and other on site factors that can affect your bid. In most cases, it is not possible to submit a responsible bid without investigating on site conditions.
6. Have the financial capacity (cash) to operate until your first payment. This will usually be seven to ten weeks after you being work.
7. Have the ability to secure the bonding if required by the solicitation. Bonding may be required for Bid Security, Performance and Payment Security. Know the bonding requirements prior to submitting your bid or quote.
8. Specific items for consideration in making up your bid are:
 - a. Equipment purchase and depreciation.
 - b. Cost of fuel and oil.
 - c. Cost of repairs.
 - d. Cost of fire equipment.
 - e. Cost of transportation to and from site of work.
 - f. Cost of labor and fringe benefits.
 - g. Cost of operating capital loan (if necessary).
 - h. Profit.
 - i. Overhead.
 - j. Cost of bonds when required.
10. **Read all of the bid solicitation requirements from front to back.** All the contract provisions (including the referenced clauses) apply. If you have questions, ask the Contracting Officer before you submit your offer/bid.
11. You cannot withdraw an offer after a public bid opening if the solicitation is formally advertised and Sealed Bid procedures are used (IFB). You may withdraw your proposal by written notice before award is made if Negotiated procedures are used (RFP). You may withdraw your offer on a Request for

Quotation before award is made if Simplified Acquisition Procedures are used (RFQ).

12. All contracts for construction or other types of service work contain requirements for minimum wage, fringe benefits, holiday pay and other compensation benefits to employees engaged in performance of the contract.

As defined in various labor laws, an employee is:

Any person, laborer or mechanic, including watchmen and guards, engaged in a recognized craft, or in unskilled, semi-skilled or skilled manual labor occupation; and any other employee including a foreman or supervisor in a position having trade, craft, or laboring experience (working foreman or supervisor's) as the paramount requirement; and shall include all such persons regardless of any contractual relationship that exists between the Contractor or subcontractor and such persons, including partnerships or cooperative associations.

The definition makes it plain that "subcontractors" and new "partners" and "associates" and other workers actually engaged in performance of the work are considered employees under Department of Labor rulings, and are required to be paid the minimum wages and fringe benefits regardless of any contractual relationship that may be alleged to exist.

13. **Overtime Payment** is required by the Contract Work Hours and Safety Standards Act. Overtime is work over forty hours per work week. Overtime pay is one and one-half times the basic hourly wage. Fringe benefits must be paid on overtime hours.
14. **Payroll Withholdings** You will be required to establish an account with the Internal Revenue Service for deposit of Social Security Payments, Federal Unemployment Compensation and Federal Income Tax Withholding.
15. **Social Security Payments** You will be required to make deposits to the Social Security Fund as well as withhold employees fund contributions. Currently about seven percent for both employer and employees.
16. **Federal Income Tax** You will be required to withhold Federal Income Tax from employee wages and deposit them with the Internal Revenue Service.
17. **Workman's Compensation** You must carry Workman's Compensation Insurance on all employees in accordance with Oregon State law. The employer must pay these costs to the State of Oregon in addition to employee wages and fringe benefits.
18. **Payroll Records** You are required to maintain detailed payroll records showing at least the following information:
 - a) Employee's name, address and Social Security Number
 - b) Work classification, rate(s) of pay and fringe benefits provided, stated separately, total daily and weekly compensation.
 - c) Daily and weekly hours worked.
 - d) Deductions, refunds or rebates from pay.

- e) Other details as may be required by the applicable contract labor provisions and other Federal and State laws.
- f) Records must be retained for three years.

13. Unemployment Compensation You must pay Unemployment Compensation taxes on your employees in accordance with State and Federal laws. The Oregon tax is about three percent of the payroll costs to be paid by the employer. The Federal Tax is about one-half of one percent of payroll to be paid by the employer.

If you desire more information concerning these requirements of State and Federal Law, please contact one of the following:

US Department of Labor Wage & Hour Division

ESA Wage & Hour Division
1515 S.W. Fifth Ave.
Suite 1040
Portland, OR 97201-5445
(866) 487-9243

[US DOL Wage & Hour Division](http://www.dol.gov/esa/whd)

<http://www.dol.gov/esa/whd>

Social Security Administration

Toll Free Telephone Number 1-800-772-1213

[Social Security Administration](http://www.ssa.gov/)

<http://www.ssa.gov/>

Federal Income and Unemployment Compensation Taxes

Internal Revenue Service
Toll Free Telephone Number 1-800-829-1040
Bend District Office (541) 388-6739
Portland District Office (503) 326-5441
Salem District Office (503) 399-5615

[Local Office Contacts](http://www.irs.gov/localcontacts)

<http://www.irs.gov/localcontacts/article/0,,id=98325,00.html>

Oregon Unemployment Compensation Taxes

State of Oregon
Employment Department
Contact your local Employer Tax Office

[Unemployment Insurance Tax Information](http://egov.oregon.gov/EMPLOY/TAX/index.shtml)

<http://egov.oregon.gov/EMPLOY/TAX/index.shtml>

Workmen's Compensation Insurance

State of Oregon
Workers' Compensation Division
Toll Free Telephone Number

[General Information](http://www.cbs.state.or.us/external/wcd/index.html)

<http://www.cbs.state.or.us/external/wcd/index.html>

20. Oregon State Farm Labor License If applicable, you will be required to show proof of having obtained a Oregon State Farm Labor License or an exemption.

The license or letter of exemption is required for all forestation/reforestation contracts. If you have a question or need information regarding the need for a license, contact the following:

Bend District Office
2480 NE Twins Knolls Drive
Bend, OR 97701
(541) 322-2435

General Information

<http://www.boli.state.or.us/BOLI/WHD/FFL/index.shtml>

21. You are required to obtain a **Duns & Bradstreet Number**. This can be done for free by calling **866-705-5711** or registering online at <https://eupdate.dnb.com/requestoptions/government/ccrreg/>.
22. Once you have a DUNS # you should register with the **Central Contractor Registration (CCR) Database**. Registration is not required for bidding on government solicitations but is required prior to the award of any purchase order or contract. Registration is free and can be accessed at: <http://www.ccr.gov/>.
23. You will also be required to register in the **Online Representations and Certifications Application (ORCA)**. This too is free and will require a DUNS # for registration. This site is located at: <http://orca.bpn.gov/>
24. Solicitations > \$25,000 are posted online at Fed Biz Opps, <http://www.fbo.gov/>. To locate a solicitation for the Deschutes National Forest, for example, an interested contractor would access the referenced website and click on the following:



-> In the Acronym Dropdown select “USDA” → Locate the Forest Service tab and click on [Locations](#) → Locate the **R-6 Central Oregon Procurement, Deschutes NF, Bend, OR** tab and click [Posted Dates](#).

From here you can view all the solicitations presently being advertised on the forest.

Remember, when you are awarded a Government contract you are not a Government employee but a private individual or business entity doing business with the Government. As such, you are solely responsible for completion of the entire project in accordance with the contract requirements. Any abandonment of the job or other failure to complete will cause you to be held liable for any Government damage as previously set forth.

Again, please consider these requirements before you submit a bid on Forest Service or any other Government contract.