

Certified Federal Contract Manager (CFCM) Practice Exam (Sample)

Study Guide



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SAMPLE

Questions

- 1. Which agency directs and manages the Federal Supply Schedule program?**
 - A. The Department of Defense**
 - B. The General Services Administration**
 - C. The Department of Commerce**
 - D. The Office of Management and Budget**
- 2. What is the dollar threshold for public announcement of contract awards?**
 - A. \$1,000,000**
 - B. \$2,500,000**
 - C. \$4,000,000**
 - D. \$6,000,000**
- 3. What is true regarding proposal revisions?**
 - A. The CO cannot request proposal revisions**
 - B. The CO may request or allow revisions to clarify understandings**
 - C. Proposal revisions invalidate the original proposal**
 - D. Proposal revisions must be submitted within a week**
- 4. What are contracts to acquire IT systems in successive increments called?**
 - A. Phased contracts**
 - B. Incremental contracts**
 - C. Modular contracts**
 - D. Development contracts**
- 5. What must a contractor obtain if they have an approved purchasing system and wish to form subcontracts?**
 - A. Approval from the contracting officer**
 - B. Consent required for subcontracts**
 - C. Full disclosure of all subcontractors**
 - D. No consent is needed**

- 6. What does the Federal Supply Schedule program provide to federal agencies?**
- A. Simplified process for auctions**
 - B. Access to international vendors**
 - C. Equal prices for all contracts**
 - D. Simplified process for obtaining commercial supplies and services**
- 7. What is the minimum contract value that requires mandatory provisions regarding minimum wage and fringe benefits?**
- A. \$1,000**
 - B. \$2,000**
 - C. \$2,500**
 - D. \$5,000**
- 8. When can a contracting officer use competitive proposals instead of sealed bids?**
- A. If the contract is under \$500,000**
 - B. If it is necessary to conduct discussions**
 - C. If the agency has insufficient funds**
 - D. If fewer than three bids are received**
- 9. Which statement is true regarding micro-purchases?**
- A. The government-wide commercial purchase card is the preferred means for these purchases.**
 - B. They cannot be made under any circumstances.**
 - C. Only cash transactions are allowed for micro-purchases.**
 - D. They must always be publicly advertised.**
- 10. Which of the following is an acceptable method for disseminating information on proposed contract actions?**
- A. Television advertisements**
 - B. Direct mailing to competition**
 - C. Announcements in magazines at no cost**
 - D. Online advertisements in foreign media**

Answers

SAMPLE

1. B
2. C
3. B
4. C
5. B
6. D
7. C
8. B
9. A
10. C

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Explanations

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1. Which agency directs and manages the Federal Supply Schedule program?

- A. The Department of Defense**
- B. The General Services Administration**
- C. The Department of Commerce**
- D. The Office of Management and Budget**

The General Services Administration (GSA) is responsible for directing and managing the Federal Supply Schedule program. This program is essential for federal agencies to procure goods and services from commercial vendors using pre-negotiated contracts, which streamline the purchasing process and facilitate efficient access to a wide range of products. GSA plays a critical role in ensuring compliance with federal acquisition regulations and promotes best practices in procurement, making it easier for government agencies to meet their operational needs while adhering to budgetary constraints and policy requirements. The GSA's authority in this area enables it to establish schedules that prioritize cost-effectiveness and efficiency, which ultimately helps in serving the federal workforce effectively.

2. What is the dollar threshold for public announcement of contract awards?

- A. \$1,000,000**
- B. \$2,500,000**
- C. \$4,000,000**
- D. \$6,000,000**

The dollar threshold for the public announcement of contract awards is indeed set at \$4,000,000. This threshold is significant because it establishes the minimum contract amount at which federal agencies are required to publicly announce the award. This transparency helps to ensure accountability and allows the public to remain informed about government spending and procurement activities. When contracts exceed this amount, they often draw greater scrutiny and are subject to regulations and oversight intended to support fair competition and integrity in the contracting process. This threshold is periodically reviewed and can be adjusted based on various factors, including inflation and policy changes related to government contracting. The other amounts listed do not meet the current standard for public announcement of contract awards, which is why they are not applicable in this context. Understanding this threshold is crucial for federal contract managers as it impacts reporting and compliance requirements associated with federal procurement actions.

3. What is true regarding proposal revisions?

- A. The CO cannot request proposal revisions
- B. The CO may request or allow revisions to clarify understandings**
- C. Proposal revisions invalidate the original proposal
- D. Proposal revisions must be submitted within a week

When discussing proposal revisions in the context of federal contracting, the statement that the Contracting Officer (CO) may request or allow revisions to clarify understandings is accurate. This is a common practice, particularly during the competitive bidding process, to ensure that proposals align with the government's requirements and expectations. Allowing revisions can facilitate clearer communication between the offerors and the government, ensuring all parties have the same understanding regarding the scope of work, pricing, and other critical elements of the proposal. This flexibility is essential in fostering a fair and competitive environment for all bidders. The need for clarity in proposals is paramount, as it helps to ensure that the government receives the best possible offers and that offerors can fully meet the specified requirements. By allowing for revisions, the CO supports the goal of obtaining high-quality proposals that accurately reflect the work sought. Understanding the nuances of proposal revisions is critical for contract managers, as this can significantly impact the proposal evaluation process and subsequent contract award.

4. What are contracts to acquire IT systems in successive increments called?

- A. Phased contracts
- B. Incremental contracts
- C. Modular contracts**
- D. Development contracts

Contracts to acquire IT systems in successive increments are referred to as modular contracts. This terminology is used because modular contracts allow for the development and delivery of components or modules of a system in phases rather than requiring the entire system to be delivered at once. This approach enables greater flexibility, allows for adjustments based on user feedback after each increment, and can help in managing risks by breaking down large projects into smaller, more manageable pieces. Modular contracting is particularly beneficial in the IT sector where technology changes rapidly, and requirements may evolve over the course of a project. By using modular contracts, organizations can ensure that they remain responsive to new information, user needs, or technology advancements, ultimately improving project outcomes. Phased contracts and incremental contracts might sound similar but are not commonly used as specific terms in the context of IT acquisitions as modular contracts are. Development contracts tend to focus more broadly on the creation of new products or systems rather than the structured delivery of parts in increments. Hence, modular contracts are the precise term that captures the essence of acquiring IT systems in successive increments.

5. What must a contractor obtain if they have an approved purchasing system and wish to form subcontracts?

- A. Approval from the contracting officer**
- B. Consent required for subcontracts**
- C. Full disclosure of all subcontractors**
- D. No consent is needed**

In the context of federal contracting, when a contractor has an approved purchasing system and wishes to form subcontracts, they are required to obtain consent for those subcontracts. This reflects a principle of federal acquisition regulation that aims to ensure oversight and accountability in the procurement process. The necessity for consent ensures that the government can evaluate whether the subcontracting aligns with the original contract terms and conditions. By requiring consent, the contracting officer gains visibility into the contractor's plans for leveraging subcontractor resources, which facilitates effective management and oversight of contract performance. This process ensures that any risks associated with subcontracting are managed and that subcontractors meet the necessary qualifications and capabilities in accordance with federal standards. Other options like obtaining approval from the contracting officer or requiring full disclosure of all subcontractors, although they might involve some necessary transparency and accountability, do not encapsulate the core requirement under the federal acquisition regulations related specifically to subcontracting in the context provided. The need for consent for subcontracts clearly delineates the responsibility of contractors to seek authorization before engaging with third parties to fulfill contract obligations.

6. What does the Federal Supply Schedule program provide to federal agencies?

- A. Simplified process for auctions**
- B. Access to international vendors**
- C. Equal prices for all contracts**
- D. Simplified process for obtaining commercial supplies and services**

The Federal Supply Schedule program is designed to streamline the procurement process for federal agencies, offering a simplified mechanism for obtaining a wide range of commercial supplies and services. This program allows agencies to purchase items directly from pre-approved suppliers under established terms and conditions, reducing the complexity and time typically involved in the procurement process. By utilizing the Federal Supply Schedule, agencies can expedite purchases, benefiting from competitive pricing and a variety of contract options without the need for extensive negotiation or the traditional competitive bidding processes. This results in greater efficiency and cost-effectiveness when sourcing essential goods and services. The other choices do not accurately reflect the core purpose of the Federal Supply Schedule program. For example, while auction processes and price equality may have relevance in other contexts, they do not encapsulate the main function of the Federal Supply Schedule. The program primarily serves to simplify procurement rather than provide access to international vendors or enforce equal pricing across all contracts.

7. What is the minimum contract value that requires mandatory provisions regarding minimum wage and fringe benefits?

- A. \$1,000**
- B. \$2,000**
- C. \$2,500**
- D. \$5,000**

The minimum contract value that necessitates mandatory provisions regarding minimum wage and fringe benefits is \$2,500. This threshold aligns with the requirements set forth in the Contract Work Hours and Safety Standards Act and the Davis-Bacon Act, which mandate that federal contracts exceeding this amount must include clauses ensuring workers are paid at least the prevailing wage along with fringe benefits. Such provisions are designed to protect laborers on federally funded projects and maintain fair labor standards. Contracts valued below \$2,500 do not trigger these specific obligations, making it an important figure for compliance with federal labor laws. Understanding this threshold is crucial for any contract manager working within federal contracting to ensure adherence to labor regulations and proper compensation practices.

8. When can a contracting officer use competitive proposals instead of sealed bids?

- A. If the contract is under \$500,000**
- B. If it is necessary to conduct discussions**
- C. If the agency has insufficient funds**
- D. If fewer than three bids are received**

The use of competitive proposals instead of sealed bids is appropriate when it is necessary to conduct discussions. This process distinguishes itself from sealed bidding, which is primarily based on a straightforward evaluation of the bid prices submitted. In competitive proposals, the contracting officer can engage in dialogues with the offerors to clarify aspects of their proposals, address deficiencies, and explore innovative solutions. This process allows for a more comprehensive evaluation of the proposals based not only on price but also on factors such as technical merit, past performance, and value-added capabilities. The reason why other options are less relevant to when competitive proposals can be employed lies in the principles governing federal contracting. For instance, whether a contract is under a specific dollar threshold does not strictly govern the method of procurement. Similarly, insufficient funds may necessitate a different approach for funding but does not directly correlate with the method of proposal submission. Lastly, receiving fewer than three bids does not automatically justify switching from sealed bidding to competitive proposals, as sealed bidding can still proceed if a minimum number of bids are received. Therefore, the need for discussions, as evidenced in option B, fundamentally supports the rationale for opting for competitive proposals in the federal contracting environment.

9. Which statement is true regarding micro-purchases?

- A. The government-wide commercial purchase card is the preferred means for these purchases.**
- B. They cannot be made under any circumstances.**
- C. Only cash transactions are allowed for micro-purchases.**
- D. They must always be publicly advertised.**

The statement that the government-wide commercial purchase card is the preferred means for micro-purchases is correct. Micro-purchases, which are defined as small purchases below a certain dollar threshold, allow federal agencies to streamline their procurement processes. The use of the government-wide commercial purchase card facilitates efficient purchasing for these transactions, enabling agencies to acquire goods and services quickly without the need for lengthy procurement procedures. This method not only saves time but also reduces administrative burden, allowing for more agility in fulfilling smaller-scale needs. In contrast, the other choices outline misinformation or restrictions that do not align with the established guidelines for micro-purchases. For example, micro-purchases are actually designed to be flexible, and they can be made through various means, including credit cards and not just cash. Furthermore, there is no requirement for these purchases to always be publicly advertised, as micro-purchases are typically exempt from many of the complex regulations that govern larger procurements. Overall, utilizing the government-wide commercial purchase card for these small transactions aligns with federal acquisition strategies aimed at improving efficiency.

10. Which of the following is an acceptable method for disseminating information on proposed contract actions?

- A. Television advertisements**
- B. Direct mailing to competition**
- C. Announcements in magazines at no cost**
- D. Online advertisements in foreign media**

The method of disseminating information on proposed contract actions through announcements in magazines at no cost is appropriate because it helps ensure that the information is accessible to a broader audience without incurring additional expenses. Utilizing no-cost publications allows for transparency and inclusiveness, ensuring that potential bidders can become aware of contract opportunities in a manner that aligns with federal contracting regulations and best practices for public notice. This option promotes fairness and allows interested parties to initiate competitive bidding, which is a core principle in the federal contracting process. The emphasis on using accessible methods to reach a wider audience supports the goal of maximizing competition and is consistent with federal procurement policy, which favors methods that ensure fair opportunity for all interested vendors. In contrast, other methods may not adhere to these principles. For example, television advertisements and direct mailing to competition could create biases or limit the pool of potential bidders, while online advertisements in foreign media may not serve the purpose of fostering domestic competition or comply with federal regulations that prioritize local bidders and stakeholders.