

FAR Part 15: Contracting by Negotiation Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. When certified cost or pricing data are not required, what is the general order of preference to determine data type?**
 - A. Judgmental information only**
 - B. No data is required**
 - C. No additional information, particularly if price is based on adequate price competition; Information other than cost or pricing data; Cost or pricing data**
 - D. Cost or pricing data; Information other than cost or pricing data; No additional information**

- 2. Regarding reasons for not accepting a proposal, the notice should include:**
 - A. The reason(s) in general terms, unless price information readily reveals the reason**
 - B. The exact pricing details of the rejected proposal**
 - C. No reason need be provided**
 - D. The winning bidder's internal evaluation notes**

- 3. What is the effect on an eliminated offeror's ability to revise their proposal?**
 - A. They may still revise as part of the same competitive range.**
 - B. They may revise but only after a debriefing.**
 - C. No further revisions to that offeror's proposal shall be accepted or considered.**
 - D. They may submit an entirely new proposal.**

- 4. Which section is incorporated by reference in the contract?**
 - A. Section K**
 - B. Section A**
 - C. Section L**
 - D. Section J**

- 5. In response to a widely-publicized solicitation for a noncommercial item, a CO only received one responsible offer. The offer is a firm-fixed amount for \$1,000,000, which was the same price for a similar item recently purchased by another agency under a contract that resulted from adequate price competition. Which of the following is correct?**
- A. The price is automatically fair and no audit is needed**
 - B. The proposed price is reasonable in comparison to a recent price for a similar item; therefore, certified cost and pricing data is not required**
 - C. Certified cost data is required because there was only one offer**
 - D. The government must resubmit the solicitation**
- 6. How are competitive proposals evaluated and assessed?**
- A. By price alone**
 - B. Using the factors and subfactors specified in the solicitation**
 - C. Through a random selection process**
 - D. Based solely on past performance**
- 7. In source selection, when the requirement is less defined or performance risk is high, which factors may play a dominant role?**
- A. Cost or price**
 - B. Technical or past performance considerations**
 - C. Small business status**
 - D. Geographic proximity**
- 8. What is the prime contractor responsible for?**
- A. Managing contract performance, including planning, placing, and administering subcontracts as necessary to ensure the lowest overall cost and technical risk to the government**
 - B. Drafting the government's procurement strategy**
 - C. Auditing and approving all invoices from subcontracts**
 - D. Setting government wage rates**

- 9. A negotiated procurement expected to exceed \$750,000 requires certified cost or pricing data unless an exception exists.**
- A. True**
 - B. False**
 - C. Only for sole-source awards**
 - D. Only if the price is above SAT**
- 10. Cost or pricing data: which statement is true?**
- A. They are purely subjective estimates.**
 - B. They are factual, not judgmental, and verifiable, and may require certification.**
 - C. They are required only for cost-reimbursement contracts.**
 - D. They must be provided after price agreement.**

Answers

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

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Explanations

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1. When certified cost or pricing data are not required, what is the general order of preference to determine data type?
 - A. Judgmental information only
 - B. No data is required
 - C. No additional information, particularly if price is based on adequate price competition; Information other than cost or pricing data; Cost or pricing data
 - D. Cost or pricing data; Information other than cost or pricing data; No additional information

When cost or pricing data aren't required, you determine data needed to support price reasonableness using a hierarchy that starts with the least burdensome information. If the price is based on adequate price competition, no additional information is needed—the competitive market itself provides a fair and reasonable price. If competition isn't adequate, you first look to information other than cost or pricing data, such as catalog prices, market research, published price lists, or supplier quotes, to assess reasonableness. Only if those sources don't yield a satisfactory basis do you resort to collecting cost or pricing data. This order emphasizes using the simplest, most probative data first and reserving cost or pricing data as a last resort when necessary.

2. Regarding reasons for not accepting a proposal, the notice should include:
 - A. The reason(s) in general terms, unless price information readily reveals the reason
 - B. The exact pricing details of the rejected proposal
 - C. No reason need be provided
 - D. The winning bidder's internal evaluation notes

When an agency negotiates and decides not to accept a proposal, the notice to the offeror should provide the reason for the decision in general terms. This gives the disappointed party a clear understanding of why their proposal wasn't selected without exposing sensitive information. If the reason is primarily based on price, you can indicate that the price offered was not competitive or did not meet the government's needs, but you should avoid sharing exact numbers or other bidders' prices. This keeps the explanation useful while protecting competitive information. Providing exact pricing details of the rejected proposal would reveal competitor data and is not appropriate. Leaving no reason at all deprives the offeror of understanding how to improve. Sharing the winning bidder's internal evaluation notes would expose confidential decision-making content.

- 3. What is the effect on an eliminated offeror's ability to revise their proposal?**
- A. They may still revise as part of the same competitive range.**
 - B. They may revise but only after a debriefing.**
 - C. No further revisions to that offeror's proposal shall be accepted or considered.**
 - D. They may submit an entirely new proposal.**

In negotiated procurements, once an offeror is eliminated from the competitive range, they are no longer considered part of the ongoing competition. The process allows discussions and potential revisions only for those still within the competitive range, so their proposal cannot be revised or re-submitted for this procurement. Debriefings may explain why they were eliminated, but they do not reopen the competition or permit further revisions to that proposal. If the eliminated firm wants to compete again, they would need to respond to a future solicitation or a new procurement, not revise the eliminated proposal in the same competition.

- 4. Which section is incorporated by reference in the contract?**
- A. Section K**
 - B. Section A**
 - C. Section L**
 - D. Section J**

Incorporation by reference means a document or section is treated as part of the contract even if it isn't physically attached, simply because the contract states that it is included by reference. In a standard negotiated contract, the basic award instrument is the section that contains the Solicitation/Contract Form. This form establishes the contract number, parties, dates, and the core terms of the agreement, so it is the section most commonly incorporated by reference to anchor the entire contract. The other sections mentioned—such as those that list attachments or cover representations and proposals—are associated with the contract but are not the primary instrument that is incorporated by reference. Therefore, the section containing the contract form is the one incorporated by reference.

5. In response to a widely-publicized solicitation for a noncommercial item, a CO only received one responsible offer. The offer is a firm-fixed amount for \$1,000,000, which was the same price for a similar item recently purchased by another agency under a contract that resulted from adequate price competition. Which of the following is correct?
- A. The price is automatically fair and no audit is needed
 - B. The proposed price is reasonable in comparison to a recent price for a similar item; therefore, certified cost and pricing data is not required**
 - C. Certified cost data is required because there was only one offer
 - D. The government must resubmit the solicitation

The key idea is using price analysis to show reasonableness when there is evidence of competition or a recent comparable price. For noncommercial items, certified cost data are not required if you can reasonably conclude the price is fair based on other information. In this scenario, the firm-fixed price proposal is \$1,000,000, a figure that matches the price paid recently by another agency for a similar item under a contract that resulted from adequate price competition. That prior competition provides a solid benchmark. Since you have a recent, competitive price for a like item, you can determine that the proposed price is reasonable without needing certified cost and pricing data. This is exactly the situation where price analysis—comparing the proposed price to known competitive prices—is sufficient to establish reasonableness. The other options don't fit because: automatic fairness isn't guaranteed just by a price match, and price analysis suffices without cost data when there's adequate price competition or a recent comparable price; sole reliance on a single offer doesn't automatically trigger cost data requirements if a reasonable benchmark exists; and there's no mandate to resubmit the solicitation merely because of a single offer.

6. How are competitive proposals evaluated and assessed?
- A. By price alone
 - B. Using the factors and subfactors specified in the solicitation**
 - C. Through a random selection process
 - D. Based solely on past performance

Competitive proposals are evaluated and assessed using the factors and subfactors specified in the solicitation. The contracting agency lays out an evaluation plan that defines how each factor will be judged, the relative importance of factors, and the method for scoring or rating proposals. Price is considered, but it is evaluated alongside the non-price factors, and the overall best value is determined by how well a proposal satisfies the stated criteria rather than by price alone. The process involves evaluators reviewing each proposal against each factor and subfactor, documenting strengths and weaknesses, and providing a comparative analysis to support the award decision.

7. In source selection, when the requirement is less defined or performance risk is high, which factors may play a dominant role?

A. Cost or price

B. Technical or past performance considerations

C. Small business status

D. Geographic proximity

When the requirement is unclear or performance risk is high, the evaluation focuses on how well the offeror can actually satisfy the need. Technical merit and past performance provide the clearest indicators of capability, feasibility, and the likelihood of successful execution under uncertainty. By emphasizing the technical approach, key personnel, risk mitigation plans, and demonstrated results from similar projects, the government can gauge whether the proposed solution is viable and who has the best track record of delivering despite risk. Price enters the decision mainly in relation to the expected level of performance and risk, rather than driving the selection on its own. Cost or price isn't the primary driver here because the priority is to mitigate risk and ensure the requirement is met. Small business status isn't a measure of capability to perform the work. Geographic proximity is generally not a deciding factor in most source selections unless there are specific constraints tied to location.

8. What is the prime contractor responsible for?

A. Managing contract performance, including planning, placing, and administering subcontracts as necessary to ensure the lowest overall cost and technical risk to the government

B. Drafting the government's procurement strategy

C. Auditing and approving all invoices from subcontracts

D. Setting government wage rates

The prime contractor's job is to manage the contract's performance. That means taking overall responsibility for planning the work, coordinating activities, and placing and administering subcontracts as needed to meet the contract requirements while keeping costs and technical risk as favorable as possible for the government. The government drafts its procurement strategy, and payment-related auditing of subcontract invoices and setting wage rates are not duties of the prime contractor. Wage determinations come from the Department of Labor, and invoicing and payments are handled through the government's contract administration processes.

9. A negotiated procurement expected to exceed \$750,000 requires certified cost or pricing data unless an exception exists.

A. True

B. False

C. Only for sole-source awards

D. Only if the price is above SAT

Under the Truth in Negotiations Act, certified cost or pricing data must be obtained for negotiated contracts when the estimated value exceeds the established threshold, historically \$750,000, unless an exception applies. So a negotiated procurement expected to exceed \$750,000 generally requires certified cost or pricing data, with exceptions such as adequate price competition, the item being a commercial item, prices set by law or regulation, or a waiver. The rule is not limited to sole-source actions, and it isn't determined by the Simplified Acquisition Threshold. This is why the statement is true.

10. Cost or pricing data: which statement is true?

A. They are purely subjective estimates.

B. They are factual, not judgmental, and verifiable, and may require certification.

C. They are required only for cost-reimbursement contracts.

D. They must be provided after price agreement.

Cost or pricing data are the facts used to support proposed prices. They must be factual, not judgmental, and verifiable, reflecting information that can be checked and updated to current conditions. In some cases, these data must be certified under the Truthful Cost or Pricing Data requirements, ensuring the data are truthful, complete, and current. These data are provided during price negotiations to establish a fair and reasonable price, before the final price is agreed upon, and they apply beyond just cost-reimbursement contracts. The other statements miss the essential point: cost or pricing data are not purely subjective estimates, they're grounded in verifiable facts and may require certification, and they are used in negotiations prior to price agreement.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://farpt15contractingbynegotiation.examzify.com>

We wish you the very best on your exam journey. You've got this!

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