



Competitive and Noncompetitive Proposal Issues

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Source Selection Planning - Govt

- ◆ **Draft RFP, Industry Day, Pre-proposal conferences**
 - Emphasize communication - critical issues must be clarified
 - Identify and address areas of confusion, be open to other approaches for meeting the requirement
 - Recognize self-interest of potential offerors
- ◆ **Relative Importance of Factors and Subfactors**
 - What scope and criteria are most critical to the organization?
 - How can/do we differentiate in order to make the “right” selection?
 - Impact on best value assessment
 - ◆ How to strategize “best value” among the factors and subfactors?
 - ◆ For pricing, how do we adjust proposed cost/price for realism?
- ◆ **Resources and Organization**
 - Identify appropriate approach to analyze proposals
 - What skills are needed? How many people? How to organize?
 - Facilities? Are specific capabilities (classified, IT) necessary?
 - How much detailed analysis? Are models/simulations necessary?



Source Selection Planning - Govt

- ◆ **Pricing for IDIQ Contracts (increasingly popular at MDA)**
 - What does IDIQ pricing really mean in a competitive environment?
 - How to analyze, since specific task order requirements may not be known until after award?
 - ◆ Can't rely upon prices unless specific TO scope, terms are known
 - ◆ But FAR requires cost to be evaluated as part of the competitive process
 - Any task orders issued after award may not be considered within the scope of the contract since they were not competitively priced

- ◆ **Schedule Planning and Transition**
 - Is schedule on existing contract sufficient, or does it need to be extended?
 - What is a realistic timeframe to forecast for the source selection?
 - What kinds of transition requirements (if any are necessary), and how to differentiate between incumbent(s) and challengers



Source Selection Planning - Govt

◆ Other Issues

- Should we tell prospective offerors our budget?
 - ◆ Pro: Allows industry to submit realistic proposal, avoid confusion/rejection
 - ◆ Pro: Allows industry to question realism, enable Govt to adjust scope
 - ◆ Con: Ruins competitive process, offerors will simply propose to amount of funding available
 - Pro rebuttal: Should not happen in a best value process, where cost must still be considered as part of overall value to the Government
- Do we have accurate information to provide to offerors? What happens if we don't provide it?
 - ◆ Data
 - ◆ Govt Furnished Property
- How much confidence do we have in the source selection criteria that we specified, and the weightings that we have applied?
 - ◆ **The KEY question: What message are we sending to industry?**



Competitive Cost Proposals

◆ Up Front Planning

- Determine basis for assessing reasonableness/realism of proposed labor hours, rates, material, etc.
- Prepare a valid Independent Government Estimate (IGE), and decide how it will be used in the analysis (50% confidence level, 80%, etc)
- Identify roles/responsibilities of technical evaluation team, cost estimators, cost analysts – need to correlate to RFP so that all requirements are covered
- How much information is needed? Level of detail? Format?

◆ Specify cost proposal format in the RFP

- Only ask for what you need
- Provide templates if applicable
- Require high-level summaries to facilitate the cost proposal evaluation
- Clarify need for subcontractor proposals & associated content/format
- Clarify Section M criteria; what do we **really** need in order to evaluate?
- Must ensure that Section L clearly requires the information (detail, format) necessary to evaluate in accordance with Section M criteria



Competitive Cost Proposals

- ◆ **Evaluation Strategy – getting through all the numbers**
 - Cost team will extract key info from cost proposals, put in clear big-picture format for technical input (e.g., time-phased FTEs)
 - Analyze at higher, summary levels as much as possible
 - Dig down to address questions/concerns

- ◆ **Start with a good IGE and consider differences due to each offeror's unique approach**

- ◆ **Issue – how to effectively summarize info for the SSA**
 - Strengths, weaknesses – prioritization, impact
 - Provide supporting rationale for further assessment
 - ◆ Source Selection Advisory Council (SSAC) if applicable
 - ◆ SSAC will perform comparison, make recommendations to SSA



Assistance / Oversight

- ◆ **Advisors to Source Selection Evaluation Board (SSEB)**
 - Provide training, templates
 - Assist with clear documentation
 - Provide independent assessment, ask questions (sounding board)
 - If advisors are used for any kind of evaluation assistance, then the RFP should notify prospective offerors in advance

- ◆ **OSD/DPAP Peer Reviews**
 - Small team of senior contracting personnel (usually SES)
 - Review RFP and key planning documents (Acquisition Plan, etc)
 - Make recommendations – not binding, but activity must respond
 - Required on all competitive acquisitions over \$1B
 - Internal Peer Reviews (by agency) can be conducted at any \$ level



Discussions

◆ The first question: to have or not to have?

- DPAP normally expects that discussions will be held
 - ◆ Goal: obtain complete understanding by both sides on reqts and proposal
- But many Government agencies want the offeror's "best" proposal up front, and insert an RFP clause indicating that the Government may award without discussions, or intends to award without discussions
- May be resistance to having discussions – too much delay
 - ◆ If have discussions, must issue request for Final Proposal Revision
 - ◆ Under time pressure to award, and feel "we'll fix it after award"
 - ◆ May misinterpret important issues as minor, feel discussions not needed
 - ◆ Entire process (evaluation notices, assessment, discussions, request for final proposal revision) can add weeks or months to source selection

◆ The second question: what should the process be?

- Written
- Oral



Discussions Cont'd

- ◆ **Discussions may be written and/or oral; the Govt is not obligated to discuss all weaknesses, just significant ones**

- ◆ **Written Discussions**
 - Evaluation notices (ENs) are issued to obtain clarification, point out deficiencies or “significant” weaknesses
 - Offeror must provide response within a period of time (usually 1-2 weeks) – response **may** have page limits set by Govt
 - Govt normally evaluates EN responses, then determines if oral discussions are necessary to follow up, get clear understanding
 - Govt may proceed directly to request for final proposal

- ◆ **Oral Discussions**
 - Govt may discuss or negotiate
 - Govt **MUST** avoid technical leveling or technical transfusion



Advice to Offerors

REVIEW THE RFP

- ◆ **If the RFP isn't clear, don't guess or assume ... ask the PCO!**
- ◆ **If you disagree with something in the RFP ... tell the PCO!**
 - Identify information not available to the PCO
 - Provide different perspective of how to best meet the requirement
 - Raise anticipated problems with the acquisition strategy
 - **But remember: suggested changes must be in best interest of the Govt!**
- ◆ **Keep in mind the relative importance of the evaluation factors**
- ◆ **Create a matrix that cross-references each RFP requirement to the specific location in the offeror's proposal**
 - Ensures you submit a complete proposal
 - Helps the evaluators find the information



Advice to Offerors

PREPARE A COMPLETE, RESPONSIVE PROPOSAL

- ◆ **The Govt can only analyze what's in the proposal; prior personal knowledge of evaluators can't be factored in**
- ◆ **Don't simply restate the requirement**
 - Demonstrate understanding of and capability to meet the requirement
 - Clearly explain how you'll meet the requirement
- ◆ **Selection of Past Performance Information (PPI)**
 - Provide broad coverage across the work scope
 - Submission of PPIs for same/similar effort is a waste of a PPI
- ◆ **Address performance risk & mitigation strategy**
 - Useful if proposed approach is risky, or proposing to buy-in
 - Have "Red Team" review proposal prior to submittal



Sole Source Proposal Issues

- 1. Proposals not submitted by the established due date**
- 2. Proposals submitted by the due date, but missing critical information**
- 3. Missing unsanitized subcontractor proposals**
- 4. Missing executable excel files (from prime/IWTA/subs)**
- 5. Missing prime contractor cost analysis of IWTA/subcontractor proposals**
- 6. Untimely/non-responsive to requests for supporting data**
- 7. Limited use of CERs (if valid, could save lots of time/money developing discrete estimates)**
- 8. BOEs do not clearly provide assumptions, and/or are not verifiable**



Drivers for Proposal Quality

◆ From the Government side:

- Unrealistic proposal due dates / aggressive contract award schedules
- Unclear scope requirements
- Changing scope requirements
- Unclear proposal preparation requirements
- Affordability issues that drive revised requirements/proposals
- Close-hold on how much we can afford (let's see how much we can get, don't want to bias the contractor's estimate)



Drivers for Proposal Quality

◆ From the Contractor side:

- Staff shortages
- Staff are not sufficiently trained
- Contractor leverage - Govt needs the supplies or services, only the contractor can provide it – results in less motivation to put together a strong proposal
- Have "gotten away" with less quality over time; why change?
- More concerned with meeting proposal due date (what's being measured?) vs. submitting a complete proposal
- ◆ **THIS IS A FREQUENT AND REALLY SERIOUS PROBLEM!!**
- ◆ **AT MDA, WE WILL CHANGE OUR CPARS AND AWARD FEE EVALUATIONS AS A RESULT**



Fee/Profit Issues

◆ Fee expectations

- Government vs. Industry Senior Leadership
 - ◆ Government Officials must answer to OSD, Congress & Press (public opinion)
 - ◆ Industry must answer to Stockholders and Wall Street
 - ◆ Typically Government expects competition (market) to set a fair price (including profit/fee), but there can be exceptions
- Leverage – who has it, and how will it be used?

◆ Government-Imposed Limits

- Fee on Fee (including sub-tier fee as part of proposed cost)
- Travel/ODC (effort considered non value added, deserves little/no fee)
- Specified Limits
 - ◆ By contract type
 - ◆ By % of estimated cost



Problems with Competitive Proposals

- ◆ **“Read the RFP” – misinterpretation of requirements**
 - “I thought ...” can be absolutely fatal!
 - You must ensure you understand what Govt wants, not what you think is best for the Govt – and respond that way!
- ◆ **“Understand the RFP” – misinterpretation of source selection criteria**
 - Best Value – lack of understanding of tradeoff assessment
 - Steps in the Process
 - ◆ Competitive Range
 - ◆ Discussions
 - ◆ Final Proposal Revision
 - ◆ Debriefings
- ◆ **Declarative statements without supporting rationale**



Problems with Competitive Proposals

- ◆ **Noncompliance with RFP – usually refusal to accept Terms and Conditions (T’s and C’s)**
 - Most source selections are FAR Part 15 – “negotiation”
 - But Govt is not obligated to accept noncompliant proposals
 - May submit alternate proposal, but risk rejection or RFP amendment
- ◆ **Inadequate Past Performance Information**
 - Must show relevance for a majority of the work to be performed
 - Lack of relevancy and/or quality, duplicated information
 - Offerors frequently identify PPI as relevant, but evaluators disagree
- ◆ **Cognitive Dissonance**
 - “They can’t be better than us!”
 - “It’s the Government’s fault; they misevaluated our proposal. We were totally screwed”
 - “We put it in the proposal, but you simply don’t understand it.”
 - ◆ But we **DO** understand; we just don’t like what you gave us!



What Do We Worry About?

- ◆ **Balancing Need with Fairness**
 - Assuring equity and integrity
 - Avoid unintentionally favoring anyone
- ◆ **Taking Too Long to do the Source Selection**
 - Meeting mission needs
 - Avoiding schedule pressure, making incorrect decisions
 - Incurring unnecessary B&P Expense
- ◆ **Not Communicating Properly**
 - Prior to RFP (Industry Days, Draft RFP, Q&A, Preproposal Conference)
 - Discussions
 - ◆ Did we achieve understanding on both sides?
 - ◆ Did we cover everything we need to?
 - ◆ Can we “cut off” discussions and issue a request for final proposal?



What Do We Worry About?

- ◆ Will we get proposals which “answer the mail?”
 - ◆ Can We Pick a Clear Winner?
 - ◆ How Effective is the Debriefing?
 - Sufficient Information
 - Clear Rationale
- } Convince
} Unsuccessful Offeror
- ◆ **THE BOTTOM LINE: DID WE GET IT RIGHT?**