Insights from Industry Perspectives on Acquisition for Office of Small Business Programs

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INTRODUCTION AND AGENDA

- Introduction
- Why We Bid
- Industry Bid Process
- Bid Determination
- Resource Allocation
- Issues and Challenges
- Summary
- Questions

Class Discussions are Not for Attribution
Introduction
INTRODUCTION – GERRY ROBBINS

• Military Career
  – Retired USAF Officer – 22 years
  – Multiple Technical, Management, & Leadership Roles
  – Served as a COTR, written RFPs, and served on Source Selection Team

• Industry Career
  – Worked in Industry for 30 years – Small, Mid-size, & Large companies
  – Engineering, sales, product development, project management, capture management, & business development
  – Small Business Mentor
  – Life Member AFCEA – multiple Chapter leadership positions
  – Member/volunteer of Professional Services Council – 19 years
    • Multiple leadership positions
    • Vision DoD Market Analysis
    • IT Acquisition Reform
    • Small Business Advocate
    • Industry Perspectives/Inside Industry Instructor
Why Industry Bids
INDUSTRY GOALS

• **Good Reputation**
  – Strong management team
  – Deliver on promises & price

• **Business Growth**
  – Increase existing client base
  – Expand solution offerings

• **Employer of Choice**
  – Attract & maintain top talent

• **Shareholder Friendly**
  – Solid balance sheet
  – Positive cash flow with profit
<table>
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<th>Public Sector</th>
<th>Commercial Sector</th>
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</table>
| **Visibility of Opportunity** | • Publically Posted  
• Standard Format                             | • Relationship Driven  
• Unstructured Format                                        |
| **Contracting Rules**   | • FAR, DFAR, DoD 5000.02                                                    | • US Laws  
• Ethical Judgment                                                      |
| **Customer Access**     | • Open Dialogue  
(.until RFP issued)                                         | • Relationship Driven  
Throughout Process                                                                         |
| **Evaluation Process**  | • Process Driven  
• Protests Allowed                                         | • Business Driven  
• No Protests                                                                 |
| **Technical Skills**    | • To Bid  
• To Perform                                                             | About the Same  
About the Same                                                                 |
|                        |                                |                                                 |
| **Proposal Prep**       | • Resource Intensive                                                      | • Standard Templates                                     |
| **Competition**         | • Open                                                                        | • Restricted                                                                 |
Industry Bidding Process
INDUSTRY PLANS AN OPPORTUNITY PIPELINE

Opportunity Tracking

Sources Sought or RFI Issued

RFP/Q – 12 mos.

RFP/Q – 11 mos.

RFP/Q – 10 mos.

RFP/Q – 6 mos.

5 – 30 days Proposal

Gate 1: Interest?

Gate 2: Pursue?

Gate 3: Bid/No Bid?

“Screened” Opportunity Candidates

Future and/or Less Attractive Opportunities

Qualification Candidates

Like to Bid

Business Plan Opportunities

Expect to Bid

Bidding/Bid Commitment to Bid

RFP Released

1:1 Industry Discussions

Draft RFP

Industry Day

Gate 1: Interest?

Gate 2: Pursue?

Gate 3: Bid/No Bid?
## Industry Decision Points

### Government/Acquisition Events
- Industry Day
- RFI
- RFP
- Proposal Receipt
- Q&A’s Orals
- BAFO’s
- Award
- De-Brief

### Stages
- Exploratory
- Interest
- Pursue
- Bid
- Submitted
- Post-Award

### Industry Decisions
- Gate 1: Interest?
- Gate 2: Pursue?
- Gate 3: Bid/No Bid?
- Gate 4: Submit Prop?
- Gate 5: Award?
- Gate 6: Post Award Analysis

### Industry Phases
<table>
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<th>Phases</th>
<th>Key Activities</th>
<th>Assess Opportunity &amp; Market Positioning</th>
<th>Win Strategy Development</th>
<th>Program/System Concept Refinement</th>
<th>Bid/Proposal Development</th>
<th>Post-Submittal</th>
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<td><strong>Organize</strong></td>
<td>Organize Assessment Team</td>
<td>Organize Assessment Team</td>
<td>Form Capture team</td>
<td>Expand Capture team</td>
<td>Initiate Proposal Team</td>
<td>Maintain Core team</td>
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<td><strong>Gather</strong></td>
<td>Gather Customer &amp; Competitive Intelligence</td>
<td>Gather Customer &amp; Competitive Intelligence</td>
<td>Expand Customer &amp; Competitive Intelligence</td>
<td>Refine Customer &amp; Competitive Intelligence</td>
<td>Validate Customer &amp; Competitive Intelligence</td>
<td>Update Customer &amp; Competitive Intelligence</td>
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<td><strong>Develop Teaming Relationships</strong></td>
<td>Identify Key Customers &amp; Potential Teammates</td>
<td>Identify Key Customers &amp; Potential Teammates</td>
<td>Support Requirements &amp; Role Definition</td>
<td>Influence Requirements &amp; Define Work share</td>
<td>Establish Win Targets</td>
<td>Reassess Competitive Position</td>
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<td><strong>Analyze</strong></td>
<td>Qualify Opportunity</td>
<td>Qualify Opportunity</td>
<td>Assess Competitive Posture</td>
<td>Validate Competitive Posture</td>
<td>Implement Win Targets</td>
<td>Reassess Competitive Position</td>
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<td><strong>Capture Plan</strong></td>
<td>Draft Preliminary Capture Plan</td>
<td>Draft Preliminary Capture Plan</td>
<td>Draft Capture Plan</td>
<td>Update Capture Plan</td>
<td>Update Capture Plan</td>
<td>Update Capture Plan</td>
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<td><strong>Solution</strong></td>
<td>Build Conceptual Solution</td>
<td>Build Conceptual Solution</td>
<td>Develop Competitive Solution Approaches</td>
<td>Develop Solution Baselines</td>
<td>Freeze Solution Baselines</td>
<td>Manage Solution Changes</td>
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<tr>
<td><strong>Proposal</strong></td>
<td>Develop Notional Value Proposition</td>
<td>Develop Notional Value Proposition</td>
<td>Refine Value Proposition</td>
<td>Initiate Proposal Planning</td>
<td>Develop, Produce &amp; Deliver Proposal</td>
<td>Archive Proposal and Artifacts</td>
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<td><strong>Phase Outputs</strong></td>
<td>Preliminary Capture Plan</td>
<td>Preliminary Capture Plan</td>
<td>Capture Plan</td>
<td>Updated Capture Plan</td>
<td>Updated Proposal Plan</td>
<td>Updated Proposal Plan</td>
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<td></td>
<td>Assign Capture Manager</td>
<td>Assign Capture Manager</td>
<td>Solution Approaches</td>
<td>Solution Baselines</td>
<td>Oral Presentations</td>
<td>Oral Presentations</td>
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<td></td>
<td>Customer Calls</td>
<td>Customer Calls</td>
<td>Assignment Proposal &amp; Program Managers</td>
<td>Proposal Plans</td>
<td>Lessons Learned Survey</td>
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INDUSTRY TEAM STRUCTURES

- Leadership/Management (company strategy)
- Business Development (find & qualify opportunities)
- Capture Management (develop & execute a capture plan)
- Proposal Team (write the proposal)
- Programs & Operations (provide the staff)
- Support Team (administrative)
  - Recruiting
  - Pricing
  - Security
  - Contracts
  - Legal
- Strategic Partners (typically vendors)
- Teammates (fill technical gaps & small business requirements)
- Consultants (guidance & intelligence)

Team Sizes Varies
FINDING GOVERNMENT OPPORTUNITIES

- Federal Business Opportunities (FBO)
  - Official announcement of opportunities
  - Open to the public

- Contract Task Order Announcements
  - Typically restricted to contract holders

- Commercial Sources
  - DELTEX/GovWin
  - Bloomberg Government

- Forecasts to Industry
  - Government projections to Industry

- Industry Partners

- Other Sources
**REVIEW AND DECISION FACTORS**

• **Color Reviews**
  – Black Hat Review
  – Pink Team Review
  – Blue Team Review
  – Red Team Review
  – Gold Team Review
  – White Glove Review

• **Teaming Decisions**
  – Go alone
  – Team with Large Companies
  – Team with Small Businesses
Bid Determination
WE WANT YOUR BUSINESS

... but we have processes for determining what to bid.

– **Viability**: Is the procurement *real*?

– **Resources**: Do we have the *budget, right people, technology & processes* to be *successful*?

– **Probability**: Do we have a *fair chance of winning*?

– **Risk**: What happens *if we win*?
VIABILITY: WE QUALIFY OPPORTUNITIES

Is it Real?

- Political Support?
- Realistic Schedule?
- Likelihood of Procurement?
- IT or Services Content?
- Well Defined Scope?
- Open Communications with Industry?
- Acquisition Strategy Approved?
- Aligned to Mission?
- Buyer Advocate?
- Funding Secure?
RESOURCES: WE ASSESS IF WE CAN PERFORM

Can we Do it?

- Understanding Infrastructure?
- Preferred Vendors or Directed Subs?
- Comply with Standards? (IA, SOA, EA)
- Operational Capability?
- Do we have Time? (No Schedule Conflicts)
- Customer Knowledge?
- Location / Travel Requirements?
- Appropriate Technical Solution?
- People & Money Available?
PROBABILITY: WE ASSESS IF COMPETITION IS FAIR

- Competitive Solutions?
- Competitive Price?
- Discriminators & Best Practices?
- Evaluation Criteria?
- Entrenched Incumbent?
- Integration with other programs?
- Legislative Surprises?
- Understand Requirements?
- Understand Customer?
- Teaming Partners?
- Certifications Required?
- Reading Room?

Can we Win it?
RISK: WE ASSESS MANAGEABILITY

Is it Good Business?

- Enough Time to Bid?
- Acceptable Location & Security Risks?
- Contract Type Appropriate?
- Good Use of Technical Staff?
- OCI / PCI Guidelines?
- Fits our Business Strategies & Capabilities?
- Acceptable Ts & Cs?
- Meet Revenue & Profit Targets?
INDUSTRY’S INVESTMENT DECISIONS

Is it Real?

Can we do it?

Is it good business?

Can we win it?
Company Resource Allocation
MONEY, TALENT, AND TIME ALLOCATION

Available Talent

- Pre-B&P Sales Budget $$$
- Overhead Budget $$
- B&P Budget $$$$$$
- IR&D Budget $$$

Pursue To WIN!

Available Time

WIN!
INDUSTRY COSTS FOR ACQUISITION EFFORTS

Industry Resources

- Dollars
- Staff

Government Acquisition Phases

Class Discussions are Not for Attribution
ACQUISITION DELAYS AFFECT US

Program A Delayed

Concurrent Bids

This Year

Next Year

Have to No Bid

A

B

C

D

E

Acquisition delays affect us. Have to no bid this year. Program A delayed next year. Class discussions are not for attribution.
WE REVISIT PURSUE DECISIONS

Procurement Changes
- Requirements
- Schedule

Bid/No Bid

Re-evaluate

Class Discussions are Not for Attribution
Issues & Challenges
FISCAL UNCERTAINTY

• Change in Administration
• Political Gridlock
• Continuing Resolutions
• Budget Control Act of 2011
**CONTRACT CONSIDERATIONS**

- **Types of Contract**
  - Full and Open (F&O)
  - Restricted/Set-aside
  - Best Value/Tradeoff
  - Lowest Price, Technically Acceptable
  - Other Transaction Authority (OTA)

- **Requirements**
  - Technical Requirements
  - Key Personnel (Numbers and Requirements)
  - Classification
  - Locations
  - Start Dates
Quality debriefings allow contractors to improve future offerings to the government

- Wins and Losses
- Industry Wants to Know:
  - Were our offerings good? Where we did we do a good job? Where did we fall short?
  - How did we do on price? Tell us the scores.
  - Did the government follow its solicitation’s stated source selection methodology?
ELIGIBILITY AND QUALIFICATION

• **Be Specific** on labor requirements
  – Education (HS, AA, BS, MS, or PhD?)
  – Security Clearance Level
  – Years Experience (minimum)
  – Work Experience (particular organization?)
  – Military Experience?

  *Remember, good employees cost more!*

• Certifications:
  – Getting our *employees* certified costs $:
    • PMP, DoDI 8570, Six Sigma Black Belts, CISSP, MCSE
  – Getting our *company* certified costs $$$:
    • ITILv3, CMMI, Cobit, ISO 20000, EVMS
SECURITY CLEARANCES

• Does the work **truly** require clearances?
  – Over classification of information means programs require more personnel
  – Heightened security concerns dramatically increases need for cleared personnel → cost more
  – Avoid foreign nationals by requiring US citizens
  – Obtaining a Facility Clearance costs $$$$ 

• Contracts increasingly require immediate deployment of cleared resources
  – Allow transition time to re-badge incumbent personnel
  – Security clearance processing takes time → currently 90-270 days for secret
  – New hires get no reciprocity from other agencies
• **Large Business Perspectives on Small Business Teaming**
  - Past experience with a small business
  - Best technically qualified
  - Experience with the customer
  - Work share allocation
  - Clearances and certifications
  - Geographic location
  - Mentor Protégé
  - Joint Ventures

• **Small Business Perspectives on Large Business Teaming**
  - Resources available
  - Technical capabilities
  - Customer knowledge & experience
  - Teaming partners
  - Management requirements
  - Key personnel
  - Geographic locations
  - Joint Ventures
SUMMARY

• Why We Bid
  – Support customer & make profit

• Bid Process
  – Variable complexity but thorough

• Bid Determination
  • Many factors must be considered

• Resource Allocation
  – Limited resources for multiple opportunities

• Issues and Challenges
  – Delays and uncertainty complicate bidding

Challenges for Small Business are GREATER

Class Discussions are Not for Attribution
**FINAL THOUGHTS**

- Government actions (schedule delays, evaluation criteria, staffing requirements, etc.) greatly impact industry and influence our decision making
  - Delays are costly to all sides

- Good communication throughout the process is critical to getting fair competition and successful outcomes
  - Success more likely if government & industry engage in pre-RFP discussions

Our success is linked!
Questions ???

Thank You!