

Developing Proposal Strategies for Large Procurements

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Things are always changing in the world of federal contracting. For the federal government, it is the era of contract consolidation and best value procurements. While the amount of contracting has increased in dollar amount, the risks for contractors, including incumbents have also increased. Many incumbent contractors have been caught up in the move to consolidate multiple awards into one. Thus, for many procurements, neither incumbents nor challengers have any significant advantage over its competition. And even highly rated incumbent contractors lose in subsequent competitions.

In many cases the federal government has changed the way it awards contracts. With the concept of best value, the strategy for proposing is rooted deeply in the particular procurement because there is no constant or objective standard of best value. The federal government is looking for a combination of attributes for management, technical abilities, experience, past performance and price. Nearly every procurement is unique in the weighting and evaluation approach it may take for various parts of the proposal. But often the evaluators are not familiar with the current contract and have no reason to favor one offeror over another.

So as a government contractor, the risks are almost as high in bidding follow-on work as it is in bidding such work initially. Therefore, developing a coherent strategy for bidding work is extremely important, because every proposal should be assumed to require a company's best effort. In years past, many companies would not bid against incumbent contractors with very high performance ratings. Now such advantages have been diminished significantly.

The strategy begins as always with the individual procurement. If it is set-aside work, the strategy may be different than if it is not set-aside work. A company should participate in the pre-RFP phase of the procurement to get a head start on the bid process. It is at this time that key teaming opportunities and partners should be chosen. Understanding what is being asked for in Section L of the RFP and how it will be evaluated in Section M of the RFP is needed before the Performance Work Statement is analyzed. Some key areas to consider.

Wise Teaming Arrangements

One key element in larger procurements is deciding on using and obtaining teaming partners. Companies need to act quickly or they will lose opportunities to team with some excellent companies. During the time the RFP is being developed by a federal agency with the help of industry, a company should be identifying areas where it has limited or no experience. Based upon this kind of analysis, a company should create a plan on how it may supplement staff and identify the types of companies it may require as team members or subcontractors. This is a very important first step because the companies that are members of the team can be beneficial or detrimental to the evaluation of a proposal.

The characteristics of the potential teaming members to assess are:

- Capabilities and experience
- Past performance
- Relationship and responsiveness
- How the company will enhance approach to work
- Financial capability

- Minority/small business status

Once potential members have been identified, teaming arrangements and understandings need to be solidified and reduced to writing. Such understandings should never be absolute guarantees because circumstances can change over time. There may be reasons to change one or more team members due to undisclosed weaknesses in the above characteristics. Also responsibility for the proposal preparation should be allocated among the various team members to assure the best possible proposal. Assignments should be based upon the area of expertise of each company.

Finally, defining the organization of the team, the operational responsibilities and how it will be managed should be decided. Such structure may be revised as needed, but a preliminary identification will assist in the preparation of the technical proposal.

Technical Approach

The next area to plan properly is the technical areas of the response to the RFP. Often the RFP will lay out a segregation of responses that the agency wants. These normally include:

- Management
- Technical Capabilities
- Socio Economic
- Experience
- Past performance

Each area may be combined or subdivided even further. The point is that an offeror needs to respond to the RFP in the manner that the agency wants them to. Long before the actual RFP is issued, a company should be addressing exactly how it expects to manage its contract and operate. This effort should be taken very seriously because so much weight is now being given to the Technical side of the proposal.

For example, some proposals may place more weight on the proposed management of project and less weight on the technical capabilities, while other procurements may weight them equally. Past performance is always a critical factor and can play a significant role in determining which contractor will win the award. However, altogether the Technical factors will normally be more important than price.

Since the award is likely to be determined on the technical approach, it is important to brainstorm on cost effective ways to enhance performance. This is even true if the company is an incumbent contractor. Using the same old approaches or technologies will not get superior ratings from evaluators. Too often highly rated incumbents expect that the federal agency understands their work and performance. Often, the actual evaluators are not at all familiar with the incumbent and do not understand how it operates. So being an incumbent still requires well thought out approach.

Understanding the Competition

At the same time a company is identifying team members, it should be gathering information about potential competitors. Some may be incumbents and the prior contract information should be readily available. Others may be active in the federal government market and contract awards and prices may be obtained from publically available contract data. But most companies have web-sites that should be

examined thoroughly. Team members' experiences may also be helpful in assessing the competitions strength and weaknesses. In any case, as much information about the competitors should be obtained to formulate the best response to the RFP.

The Issued RFP

Once the RFP is issued, the company must read it carefully. It should be read by a team of people including technical, contract and finance staff. Each should provide observations and comments. It is during this time that objectionable terms and conditions should be discussed with the federal government. This normally occurs in the questions and answers phase of the procurement process. It is also during this time that a company must decide if it does not get adequate satisfaction, whether to file a bid protest. Yes, bid protests may be filed prior to proposals being submitted. Companies are not permitted to base a bid protest of an award on an issue raised before proposals are submitted. However, a bid protest is a last resort and federal agencies normally will revise proposals to assure fair and unbiased treatment of offerors.

A plan to prepare the proposal must now be created with strict deadlines that must be adhered to. All team members must be involved in this process. At this point, the technical approach must be revisited based on the final performance work statement.

Make No Assumptions

When preparing a proposal make no assumption that evaluators will understand what you are doing or how the contract will operate. Put everything in plain English and in sufficient detail that an unfamiliar person would understand what and how work will be accomplished. This is especially true of incumbents. Evaluators are not your administrative contracting officer or your technical representative.

Maintain Good Relations

Always treat procurement officials with respect that is due his or her position. Recognize that the procurement official has a difficult job and any bias a company's employees create, good or bad, is normally by their own behavior. A company employee's job is to make the procurement official's job easier to rate your company higher and to select your company for an award. There are of course some occasions where procurement officials that have a built-in bias, but company staff needs to document and try to deal with such bias as best they can and certainly not make matters worse.

Err on the Side of More Information

Always try to provide as much information as possible. Recognize that where information is not available, the federal agency may interpret such data. This may be difficult in those cases where the RFP has restricted the number of pages that may be submitted. Sufficient information should be submitted to make sure that the federal government will understand what is being proposed.

Recognizing Strengths and Weaknesses

During the proposal process, a company should identify both strengths and weaknesses in its management and technical approaches. For strengths it needs to emphasize them in the proposal. Never assume the agency will give you credit for an undisclosed or un-emphasized strength.

For weaknesses, a company should find ways to mitigate and overcome them. Companies need to have a critical eye of their approach to assure that they can truly provide excellent proposals that will garner the highest ratings by evaluators. Where solutions are not readily identified, avoid pointing out the issue as a weakness. Other offerors may have the same issue.

Competitive Pricing

I have saved pricing for last because it is both the last in being finished and the last evaluated by the agency. Needless to say that the strategy developed for the price proposal will depend in part on the technical and in part of the contract type. The pricing risk is the highest with fixed priced contracts and the lowest with cost type contracts. However, in each case the cost estimating is critical to submitting a complete, realistic and reasonable price proposal.

Price may have little to do with an award decision or, other factors being rated equal or close, will play the most significant part. No one can assume how its price proposal will be treated in the final award process. This means that a company needs to be accurate in its cost estimating.

The submitted proposal will be rated against other offerors' proposals. An offeror's price may be adjusted to reflect what the agency expects to actually pay before comparisons with other offers are made. In any case, the price proposal may be used to eliminate an offeror from further consideration. Pricing the work too low may indicate that you did not understand the work to be performed. Pricing the work too high may mean that a company is not in the competitive range. Always give the federal agency your best estimate.

Conclusion

Proposal strategy has changed over the years to win under the federal government's new approaches. The process to determine the strategy still requires the company to produce a complete proposal that tells its story much more than adequately. Every phase of the procurement process must be used to put together a winning team and approach that exceeds the federal government's needs. No single element of the proposal may be ignored in a competitive situation and no assumptions may be made about what the agency knows about an offeror. The proposal must convey the superior approach that the company has developed at a competitive price to have a reasonable chance to win the award.