



Department of Energy
Office of Environmental Management

Reverse Industry Day

How Industry Decides to Bid (or not)

PSC

May 4, 2023

Meet the Industry Presenters

Panelists

- **Thomas Mooney**, *Business Development Director*, Parsons
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- **LaJuanna Russell**, *President*, Business Management Associates
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- **Keith Tucker**, *Vice President*, Strategy and Development, Jacobs
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Moderator

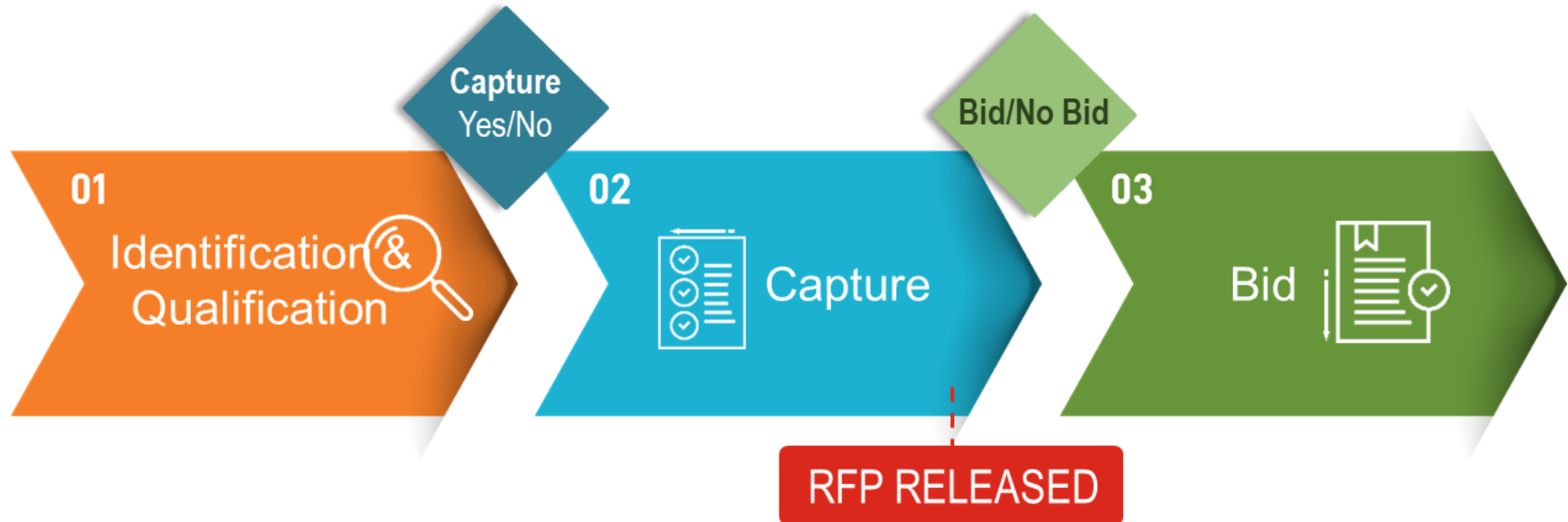
- **Paul Anninos**, *Vice President*, Abt Associates
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Value of Early and Continuous Communication with Industry

- **Attract Industry Investment and Competition** - Industry has limited resources and chooses which opportunities to invest in based upon the quantity and quality of the information available. Communicating requirements early increases the likelihood that companies will choose to invest resources to solve the DOE's mission problems instead of those at another agency.
- **Quality Bids /Better Solutions** - Early forecasts and market research efforts give industry time to work with government to understand requirements and develop the best solution to fit the need.
- **Right Solution Team** - Early forecasts allow companies to assess needed capabilities, find key personnel, and develop teams. Teaming is competitive and the best partners are sought after early.
- **Pricing** - The more information provided in advance through the market research process will improve industry's ability to accurately price solutions according to the governments needs and budget.
- **Reduce Inquiries, Bids, and Investment by Wrong Bidders** - Early forecasts with clear descriptions, contract vehicle, and acquisition strategy save government and industry time and money. Provided with the right data, firms have less need to contact COs, CORs, and Program Sponsors about opportunities for which they are not eligible or qualified.
- **Market Research** - Meet with industry early in Market Research phase to learn about industry best practices, terminology, innovations, and potential solutions to mission needs to inform how to write the requirements or outcomes for draft PWS and future solicitations, which is permissible by **FAR15.201 (f)**.

Opportunity Life Cycle—Simplified.

Each opportunity represents a series of competitive investment decisions.



The availability of information drives industry decisions to continue investing and pursuing in an opportunity. The decision to bid can change at any time.

Industry's Approach to Procurements

- Each contract bid is a **competitive investment** of company funds to cover the hours that each employee expends to prepare for and create a proposal.
 - Depending on the type of work, the costs can range from **1-2%** of the total value of the contract. Firms commonly expend between **\$100K to \$1M** on each proposal.
 - Companies decide to “**Bid or No Bid**” based on **win probability** and **return on investment** (ROI).
- Companies often require **12-24 months** of “capture” work in advance of an RFP release to understand the agency and the requirement, build a team of subcontractors, vet technology solutions, draft a technical approach, and recruit Key Personnel. Proposals require significant time and effort from technical, contracts, compliance, financial, graphics, management, and domain experts from the prime and subcontractors.
- Early and frequent communication and transparency between government and industry is critical to informed decision-making.

Attributes of a Quality Forecast

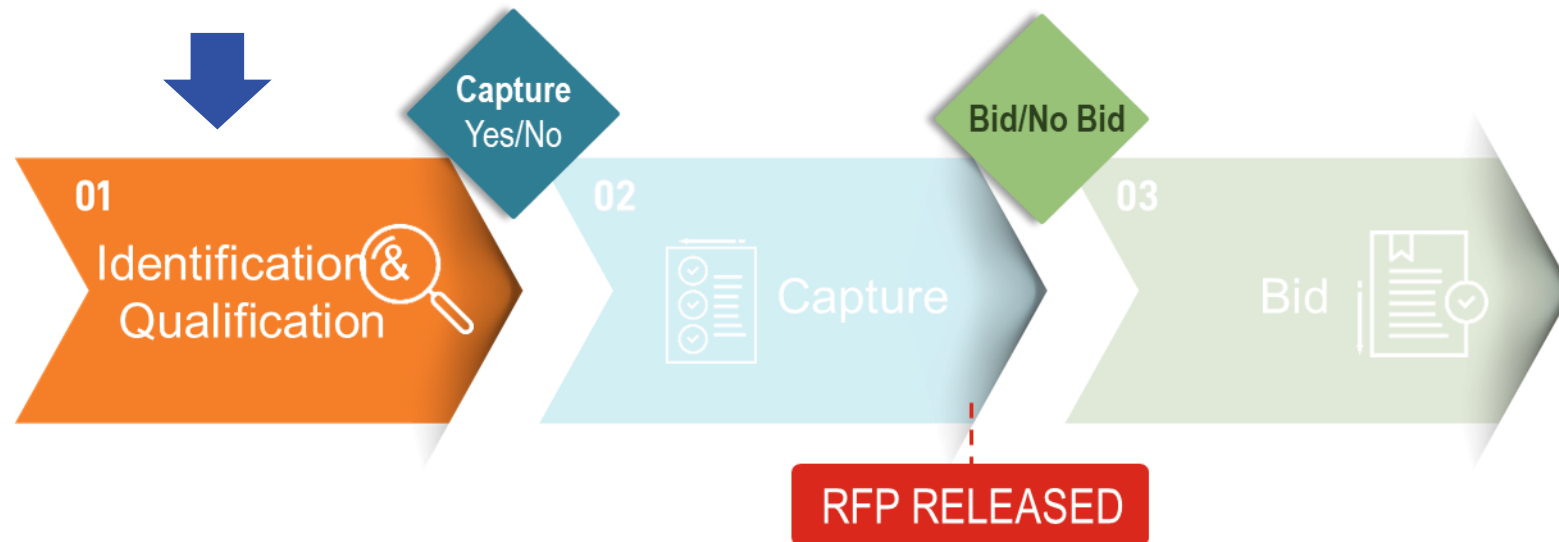
Forecast Attribute	Why Industry Needs It
1. Searchable Excel Format	To focus on opportunities that companies have capabilities to support, sort closest to RFP date for planning prioritization, and sort to understand what is new
2. Date Modified Listed	To determine the reliability of the data and if opportunity is still in competition or market research phase.
3. Frequency Updated and Published	To determine the reliability of the data. A single annual forecast will require new research as the requirement might already be procured or cancelled; older than 1 month requires an update
4. NAICS and PSC Codes	Helps company narrow search for opportunities they can pursue that match their capabilities
5. Project Description (no Acronyms)	To determine nature of requirement and if scope allows company to prime or requires a team
6. Existing Contract No and Task or BPA no.	Used to research former RFP and search FPDS.gov for contract spending, current contract vehicle, expiration date, major subcontractors for teaming discussions, current mods, and current CO
7. Award Length	Companies want to understand the length of the period of performance so they can assess resources, timelines, and the value of the contract.

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8. Existing Contract No and Task or BPA no.	Used to research former RFP and search FPDS.gov for contract spending, current contract vehicle, expiration date, major subcontractors for teaming discussions, current mods, and current CO.
9. Dollar Value and Base Options	Can we bid this? Is this too small for us to be competitive or too large and would require a team? Can we propose like past performance of like size? Is there a return on investment?
10. Program Office, POC (i.e., COR) and Contact Info	To establish and/or determine level of customer intimacy and fit. Prior to RFP release, company will want to meet with program office to discuss value add or innovation. Companies will seek teaming partners with knowledge of this customer.
11. Current Incumbent Name	Companies may reach out to incumbent for teaming especially if they can no longer bid due to change in set-aside. Companies also research incumbent to assess impact on probability of win.
12. Set-aside Type	Understand whether can company can prime it or has to team
13. Contract Vehicle and if GSA MAS, what SIN	Understand whether company can prime it or has to team
14. Estimated RFP Date	Helps company know when it must allocate resources and monies to respond and how soon to formulate bid team
15. Action/Award type (sole source, competitive, etc.)	Can we bid this as a prime or sub?
16. Estimated Award date	Company can determine if it has the resources to deliver; also helps understand how soon RFP might be released

Summary Attributes of a Quality Forecast

- Searchable Excel Format
- Date Modified Listed
- Frequency Updated and Published
- NAICS and PSC Codes
- Project Description (no Acronyms)
- Award Length/Term
- Dollar Value and Base Options
- Program Office, POC/COR info
- Current Incumbent Name
- Current Contract/BPA/TO #
- Contract Vehicle and if GSA MAS + SIN
- Estimated RFP Date, Award Date
- Action/Award type (Full/open, etc)
- Set-aside Type

Identification and Qualification

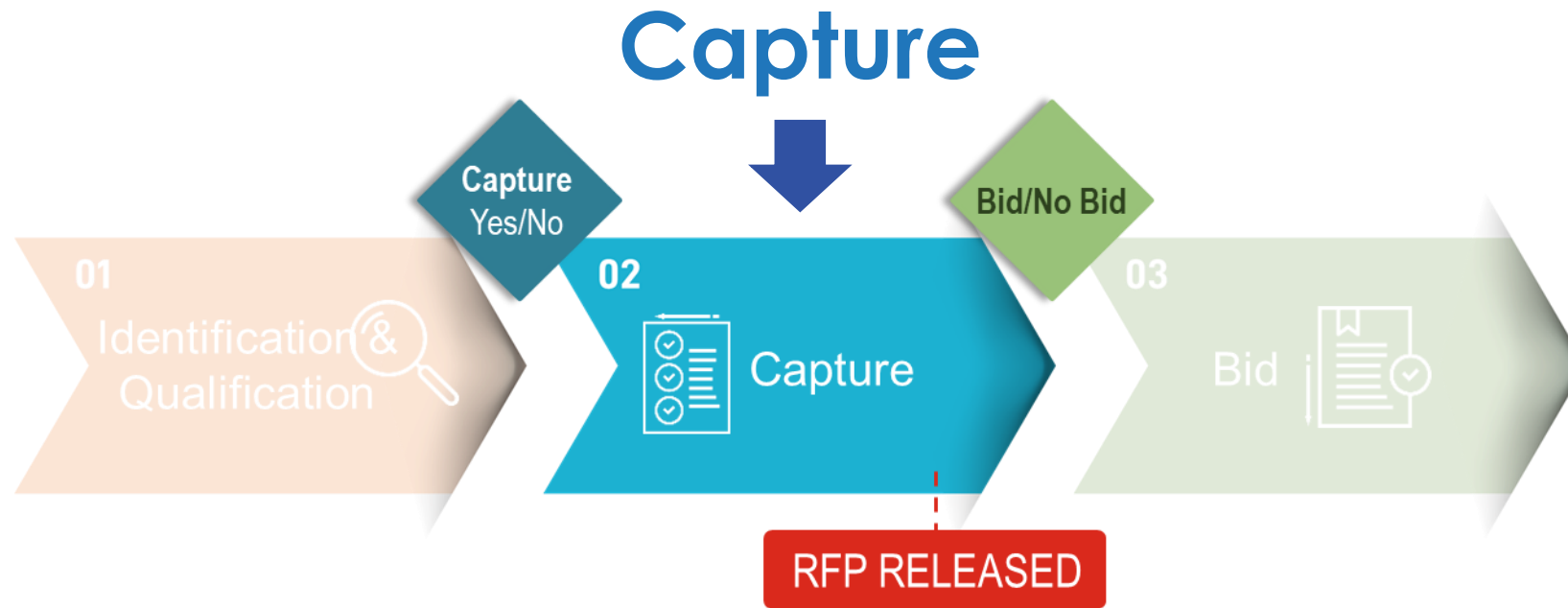


What's Happening?

- Companies build a near and long-term pipeline of opportunities to pursue for investment through **agency forecasts**
- Companies seek accurate information to determine if the opportunity is a “good fit” with the company’s capabilities
- Business Development must persuade leadership that the opportunity is winnable and worth the investment
- Leadership will always prioritize investing in opportunities with more information available because it allows informed decision-making

Key Questions

- **Can we do the work?** Do the NAICS and PSC codes match our capabilities? Do we know or have experience with the customer?
- **Can we make a profit?** What is the value of the opportunity? How much will it **cost** to pursue and bid? Do we have the resources within the timeline?
- **Can we pursue and win the work?** What contract vehicle will be used? Can I prime or do I need to sub? Do we need a team to fulfill certain areas of capabilities? Is this a new opportunity or is there an incumbent? What is the competitive landscape?



What's Happening? What information needed?

- Companies start developing teaming and partnering arrangements
- Companies seek engagement with customers, end users, etc., to develop a clear understanding of the problem, needs, desired solution, and constraints
- Companies analyze RFIs, Draft RFPs, information at industry days, etc., to understand the procurement strategy, evaluation criteria, and whether it aligns with requirements
- Company must develop differentiated approaches and solutions and a Price to Win Analysis
- Company seeks understanding of competitors (particularly an incumbent) and must continually assess probability of win

Key Questions

- Have we met with the customer, end users, etc. and understand their needs and desired solution?
- Can we provide the right solution and technical approach based upon customers needs and budget?
- Do I have the right teams, key personnel, and past experience?
- Can I offer a competitive price?
- Do I understand the competition and differentiators?

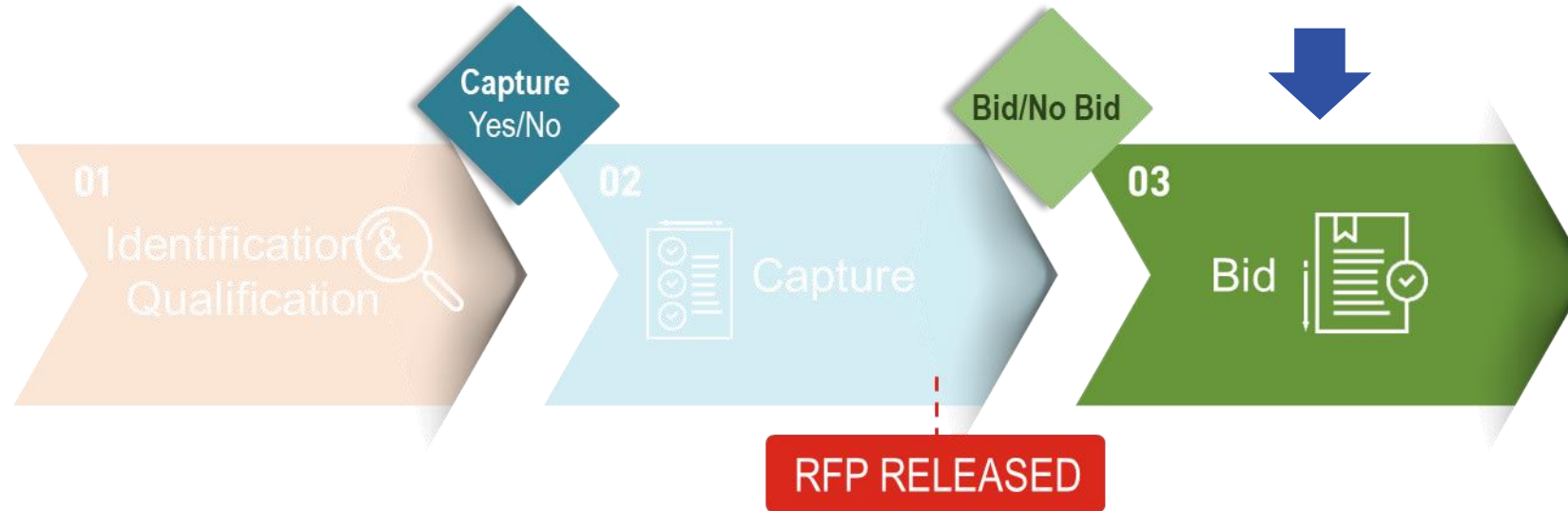
Draft Request for Proposals (RFPs)

- **When possible, provide Sections B, C, L, and M**
 - Helps industry understand the work, requirements, and whether it can develop the desired solution
 - Helps determine where teaming partners are needed
 - Allows time to recruit key personnel
 - Gives companies time to prepare a compliant proposal
 - Opportunity to provide feedback on how to improve the RFP, point out ambiguities that require clarification, or point out unintended consequences
 - Allows companies to assess competition, probability of win, and whether or not the company will continue to pursue and bid the work
 - Unexpected criterion in the Section L (that results in a no-bid) can derail months spent preparing for an RFP.
- **Allow both adequate time to respond and to consider the feedback received**
 - A 1-2 week turnaround suggests to industry that the government is not interested in industry feedback and that it is a “check the box” exercise.
- **Consider use of Statement of Objectives which allows industry to offer discriminators and innovation**

Importance of 1on1 Engagement

- To agree to have the company pursue and continue investment in an opportunity, senior **leaders seek assurance that the company understands the customer**, its requirements, and that the proposed solution is the best fit.
- While not always required if there has been **excellent communication from program officials** through the procurement, the ability to engage directly with the customer is **often a deciding factor on whether companies will bid**.
- **Recompetes with a strong incumbent** are often viewed as risky investments. Incumbents will always have more information, knowledge, and customer intimacy. **Open communication, particularly 1on1s is critical when seeking new bidders.**

Bid? No Bid?



What's Happening?

- Finalizing teaming/partnering/JV agreements
- Analyzing Final RFP
- Based on everything we know, determining the risks of moving forward.
- Finalizing all aspects of win strategy, including technical, personnel, and pricing
- Writing proposal or ensuring compliance with all requirements

Key Questions

- Have there been any last-minute changes to the requirements, evaluation criteria, or acquisition strategy?
- Is there any new information that changes what we thought we knew?
- Does our solution and technical approach meet the customers needs and budget?
- Do I have the right teams, key personnel, and past experience?
- Can I offer a differentiated solution and competitive price?
- Can I submit a compliant proposal?

Review of Common “No-Bid” Factors

Contract type inconsistent with how industry offers service or product	Inability to have direct interaction with the agency to understand program requirements, particularly when there is an incumbent
Use of LPTA for knowledge based professional services, technical services, or specialized products	Personnel requirements so prescriptive that the only meaningful differentiator between vendors is price
Lack of recent / relevant experience	RFP requests innovation without evaluation criteria that scores it
Lack of access to contract vehicle	Evaluation criteria does not align to desired requirements
Inability to find teaming partners or meet key personnel requirements	Sudden change in acquisition strategy in Final RFP that prevents company from bidding
Cost to bid is too high v. potential return on investment	Unexpected change in requirements or evaluation criteria in Final RFP
Inability to cover upfront investment costs / cash outlay	Absence of Draft RFP which prevents companies from understanding requirements and having adequate time to prepare
Past Experience with Customer (e.g., lack of quality debriefs in past procurements, history of canceling procurements)	RFP includes language that looks “wired” for incumbent or specific bidder



Questions?

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