

## **Vendor Exchange Forum 2 Highlights**

The 2<sup>nd</sup> Business and Enterprise Systems Vendor Exchange Forum was held on 4 April 2012. There was a morning panel discussion on Enhancing Competition and two afternoon workshops. The first workshop focused on development of a Legacy Systems Sustainment Task Order Performance Work Statement Template. The second workshop focused on development of Instructions to Offerors and Evaluation Criteria.

Highlights and main points between government and industry follow:

### **Enhancing Competition Panel**

- The Small Business Office should be the first stop for all businesses when they come to Gunter.
- Mandatory use policies possibly limit the use of small business in reference to IT procurement.
- There's no enforcement for small business subcontracting plans.
- Program Offices should be more open and are allowed to continue to discuss requirements up until the release of the final Request for Proposal (RFP). Industry would like to be involved and see evaluation criteria before draft/final RFP release.
- Vendors are often silent when government releases RFPs because they don't want to give away competitive information.
- There's a lack of communication in the Government.

### **Promote Small Business Competition**

- There's a large disparity between the revenue of top tier and second tier companies. This seems to indicate a difficulty for lower tier companies to compete with large tier companies.
- Top tier companies average \$34B annually in revenue. The next tier averages \$9B annually.

## **Openness**

- The more information government gets out to industry early, the better proposals they'll get.
- Something should be done to ensure government personnel know how open they can be with industry.
- The desire was expressed for a website where government can post things to for openness beyond Fedbizopps.
- Industry made the statement that timeline is critical for contractors. Government responded that contractors should use the period of performance on contracts to forecast upcoming competitions. Contact program POCs to answer your questions.
- Government should do a better job at releasing more information to level playing field so as not to give the incumbent an unfair advantage.
- Government should put criteria in the RFP that program offices don't plan to evaluate. Make sure section M criteria is worthy of contract award.
  - o Criteria that program offices don't plan to evaluate add to proposal cost.
- Don't establish unrealistic price competition. By using Lowest Price Technically Acceptable (LPTA), the government passes a lot of risk to contractors.

## **Requirements vs. Restriction**

- Mandates that are restrictive stifle innovation.
- The government will gain better value by grouping requirements by technologies.
- Listing transition risk as a high priority may give the incumbent an unfair advantage.
  - o Sometimes because of transition risk, the government will award to the incumbent.
- Releasing technical data, i.e. Version Description Documents (VDD), Standard Technical Document will level the playing field.
- Some technical data cannot be released because of legal/security concerns. Program managers must be trained on what can be released.
- Source code is often not released because of security risk.
- Version Description Documents (VDD) can be released.
- Compete capabilities and not programs.

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- A well documented system breaks your dependence on a specific person, contractor or program management office.
- Program managers need to know where they want their program to be in 5 years – the government need technology road maps.

### **Performance Work Statement Task Order Template Workshop**

- Objectives:
  - o Clear Requirements That Can Be Priced
  - o Clearly Communicate Applicable Standards
  - o Well Thought Out Deliverables
  - o Match Contract Type With Requirements
  - o Tailorable – Remove/Modify To Meet Needs
  - o Flexible –Support Range Of System Scenarios
  - o Maintainable – Resources To Update Over Time
  - o Clear Instructions (Not Written Yet)
- Repeatable formats lead to efficiencies for both government and industry.
- Companies have their own system process and the government has its own. Different languages used for each can lead to barriers when evaluating proposals.
- If the government is going to let a company use their own systems, the government needs to make sure the company is certified by an independent agency.
- Have measurable metrics in PWS (cost, schedule, and budget).
  - o Track Program metrics showing increased efficiency and effectiveness.
  - o Better communication with the customer about value added.

### **Instructions to Offerors and Evaluation Criteria Workshop**

The purpose of this workshop was for attending industry to give BES good feedback on how BES is doing in terms of giving industry instructions to give BES proposals and the evaluation criteria. The ultimate goal is to foster competition.

- It is Recommend talking to PM and Contracting Officer together at least once.

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- BES needs to push its program managers and engineers to continue dialogue with industry.
- BES should identify correct points of contact for discussions. The first stop for visiting contractors should be the Small Business Office.
- Industry should go into meetings with a clear and targeted message to PMs.
- Factor 1 – What is the appropriate number of pages for companies to describe their technical approach?
  - It depends on the program. Thirty pages is likely too much for sustainment contracts, however highly technical requirements may require that many.
- Subfactor 1 – Contractor and Personnel Management (what should be required in this section in an Indefinite Delivery/Indefinite Quantity sustainment contract?)
  - Resumes, Certifications, Mandated Clearances?
  - Industry sees this subfactor as favoring the incumbent.
  - Government says it displays offeror's ability to fill requirements
- Subfactor 2 – Business Principles and Practices (does this provide for an innovative approach?)
  - This is dependent upon the baseline for evaluation
  - How does one evaluate innovation? How much value is placed on innovation?
  - Program management skill sets are required to recognize and evaluate innovation.
  - Program managers need to develop criteria to evaluate innovation and not just the number of Full time Equivalentents.
  - Criteria needs to be cultivated that is not dependent solely on resumes.
  - The proposed skill mix should match requirement complexity.
- If a system/program requirement is new and hasn't been done before, then more past performance is necessary to prove technical capability.
- Some technical estimates can vary greatly as long as the technical approach is justified.
- The burden on the procurement contracting officer is to show that what a vendor proposes is reasonable.
- The burden is on the contractor to prove their price is realistic and reasonable.

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## **Actions**

1. Answer surveys on the website: <http://www.surveymonkey.com/s/5WQ2F5P>
2. An ERP Panel will be held at a future date.
3. Vendor Industry Day will be held on 23 May (1/2 day briefing) and 24 May (one-on-one sessions with PEO, Deputy, Div leads, and PMs/ENs).

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## Homework

The following information and questions were presented for all industry members to comment on.



## BES Program Data Sample



### HOMEWORK

PROGRAM	# of ORGANIC POSs	CONTRACTOR FTEs	TOTAL \$ (M)	APPROPRIATIONS			
				3400	SMAG	3600	3080
Program A	3	10.5	3.0	0.14	2.86		
Program B	0	14	1.8	1.8			
Program C	8.7						
Program D	6.3	29.5	4.54	4.54			
Program E	2.1						
Program F	5.5	20	4.6	4.6			
Program G	3.1	0.7	1.149	1.149			
Program H	2.8	3.1	1.106	1.106			
<b>TOTAL</b>	<b>31.5</b>	<b>77.8</b>	<b>16.195</b>	<b>13.335</b>	<b>2.86</b>		

Number of Prime Contracts           6  
 Number of A&AS Contracts         3

1. What if Gunter's \$16.2M contract budget were cut by 20%? What course of action should be taken?
2. Why did ECSS fail?
3. What is the best approach to encourage innovation in contracts?
4. What are the topics that need to be discussed at future vendor forums?
5. What information should be released with each RFP?
6. What Evaluation criteria would someone use in lieu of a resume?

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### **Links to VEF Briefings and Documents**

[Mr Scott Warren, Deputy Director for Business and Enterprise Systems Briefing](#)

[Workshop 1 - Task Order Template for Sustainment Acquisition Briefing](#)

[Legacy Systems Sustainment Task Order PWS Template](#)

[Memorandum for Record - Industry Comments to Sample PWS](#)

[Workshop 2 - Instructions to Offerors and Evaluation Criteria Briefing](#)

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