

# The Executive Summary

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\*Association of Proposal Management Professionals

## A Summary of PBSA's Impact on Proposing

At our September Roundtable, Bob Dickson of Acquisition Solutions, Incorporated gave a terrific presentation on the history and future of "Performance-Based Services Acquisition". As a supplement to his talk, the following are excerpts from the multi-agency guide to "Seven Steps to Performance-Based Services Acquisition" which is available at <http://oamweb.osec.doc.gov/pbsc/home.html>. These excerpts specifically address those aspects of the new approaches to PBSA



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that impact the proposal industry. The full guide is web-based, and is rich with examples and further information, making it well worth the visit for any APMP member.

One of the most important challenges facing agencies today is the need for widespread adoption of performance-based acquisition to meet mission and program needs. This Administration has set a goal for FY 2002 in OMB Memorandum M-01-15 to "award contracts over \$25,000 using PBSC techniques for not less than 20 percent of the total eligible service contracting dollars," increasing to 50 percent by FY 2005.

Although policies supporting performance-based contracting have been in place for more than 20 years, progress has been slow. The single most important reason for this is that the acquisition community is not the sole owner of the problem, nor can the acquisition

community implement performance-based contracting on its own.

This guide, geared to the greater acquisition community (especially program offices), breaks down performance-based service acquisition into seven simple steps.

- Establish an integrated solutions team
- Describe the problem that needs solving
- Examine private-sector and public-sector solutions
- Develop a performance work statement (PWS) or statement of objectives (SOO)
- Decide how to measure and manage performance
- Select the right contractor
- Manage performance

The intent is to make the subject of performance-based acquisition accessi-

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## President's Corner by Lou Robinson

This is my final President's Column for the APMP-NCA. I served as Secretary/Treasurer for two and a half years and as President for two years. Any healthy organization requires change in leadership. It is through diversity that new ideas evolve, new programs develop and new expansion evolves. While it has been an exciting and very rewarding experience, I believe it is time for another. I will continue to be active and may (if elected) continue to serve on the board. I am excited about seeing a new person who has more energy and new ideas step into the management position.

The proposal world continues to change. In fact, I think the rate of change continues to increase. I believe the focus of APMP-NCA will have to expand to meet the new demands. I believe our scope will need to continue to expand to include all areas of business development. The proposal has become an integral piece of an integrated group of processes required to win contracts. It is becoming more difficult to focus only on the proposal element.

Diversity seems to be an important element in much that is successful. Stock market portfolios are generally more successful and profitable when they are diverse. In nature when you have bio-diversity in animal and plant life, there is generally a more successful and healthy life community. I believe the APMP-NCA must also be diverse in the ways we support our mission. We must attack the business development issues from in as many ways as we can and must cover every aspect that we can. Also, diverse methods need to be used in presenting the many aspects of business development. We must think "Outside of the Box" in order to achieve great success in meeting our goals. A new leader will provide the new and innovative thinking that is required.

The other technique used in the stock market is called "dollar averaging". Under this system you make uniform contributions at fixed periods over a long period of time. The APMP-NCA needs to use a similar technique where

ongoing activities are used to get the job done. It is not a single effort, but a series of strong and diverse effective efforts. These might include more than our Roundtable meetings. It can include conferences, training sessions, lunch-time lectures, action committees, and research assignments/reports.

All of these things require a lot of energy and all members must get involved. I believe the energy and willingness exist within the organization now. I believe new and effective leadership can tap into this brilliance and energy so as to increase the effectiveness of the APMP-NCA.

Finally, I must thank everyone for all of the energy and cooperation you have extended to me and the organization during my tenure. I have never before been involved in an all volunteer organization where there has been a continuous outflow of energy, cooperation and friendship. I am a better and happier person because of you. Thank you, one and all.

—Lou Robinson

**Call for nominations  
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APMP board.**

**Contact Vice President  
Tom Porter at  
703-591-1981**



# Roundtable Announcement

## The Use, Abuse, Misuse and Overuse of Reuse

Current Knowledge Management initiatives were created due to the intense emphasis on reuse as a cost-efficient method for generating proposal material over the past 10 years. On November 20, APMP/NCA will feature a presentation by **Donna Millar** of SAIC on the benefits and practical applications of “reuse” strategies for proposals.

Most proposal professionals have participated in efforts to develop reuse policies, procedures, tools, or libraries, often with frustrating results. The more successful endeavors seem to share the recognition that reuse, in practice, is more art than science. Drawing on 20 years of experience as a reuse practitioner, Donna will share her lessons learned (some of which have been painfully gained). She will address such issues as:

- What is boilerplate/reuse material, really???
- How reuse is influenced by the customer and types of proposals prepared
- Can you successfully reuse material for development work?
- How to build a reuse library, including how to identify, collect, and maintain data for ready retrieval
- How to help writers understand/differentiate between wholesale cut and paste and appropriate tailoring to a specific RFP
- Reuse as a managed process

### The Speaker

**Donna Millar** is a Group Proposal Manager with SAIC Systems Engineering Solutions Group. She has over 20 years experience as a proposal manager and contributor at SAIC, TRW, Lockheed-Martin and AMS. Her particular strengths are in reuse management, team-building, developing/presenting the winning message, and doing that silk purse/sow’s ear thing.



### Who May Attend?

Anyone interested in the topic is invited to attend. You do not have to be an APMP member to attend an NCA roundtable. You don’t even have to be a proposal specialist. If you are interested in proposals, business development, or are looking for networking and professional development opportunities, we’d like for you to join us! Please refer anyone else in your organization that might be interested and encourage him or her to attend.

### Location:

Tysons Corner Holiday Inn on International Drive in McLean, Virginia

**Agenda:** 5:30pm Networking

6:30pm Buffet Dinner

7:15pm Announcements, Featured Presentation

**Cost:** \$35 — Payment received in advance,  
\$55 — Pay at the door.

### IF YOU PLAN TO ATTEND...

Please RSVP to Dennis Doubroff via email at [apmpdoubroff@aol.com](mailto:apmpdoubroff@aol.com) and mail your check to: APMP-NCA, PO Box 3063, McLean, VA 22103-3063. RSVP and send check by Friday, November 15. The earlier the better to reserve your seat

# Calendar of Events

The purpose of the calendar is to apprise NCA members of upcoming events of interest to proposal professionals.

For information on board activities or to become involved call Lou Robinson at 703-533-2102.

<b>NOV.</b>	5	APMP-NCA Board Meeting	• Teleconference
	20	APMP Roundtable	• Donna Millar, SAIC
<b>DEC.</b>	3	APMP-NCA Board Meeting	• TBD

# Eight Steps To A Winning Proposal

Your proposal can lose for a whole lot of reasons. Some are out of your control. Most proposers, however, carry their fates in their own hands; whether they win or lose depends in great part on how they conduct their proposal writing activities.

Over the years I have found that there are certain key elements in preparing winning proposals. Here are my top eight:

## Open and sustain a dialog with the client.

Establish early client contact to find out as much as you can about his needs and how you can help meet them. But make sure you don't let it languish by not carrying on the dialog.

## Listen to the client, and come up with possible solutions.

Then go back and listen some more. The better the dialog, the more the client will view you as helping him solve his problem.

Show the client your ideas as they evolve. A client will always be more favorably inclined to a proposal that

includes an approach he is already familiar with. In your on-going dialog with the client you need to be showing him your approach to resolving his problem, getting his feedback, and improving it. When he sees it in the proposal he will be familiar with it.

## Make sound go/no-go decisions.

Winning proposals require solid go/no-go decisions based on close scrutiny of facts about your client, your competition, and yourself. Don't make go/no-go decisions based on gut instinct. You may win once in a while, but chances are good you'll lose more than you win.

## Differentiate yourself from your competitors.

Here's a fact: most firms in any given competition are equally capable of doing the work the client wants done. The winning firm will cast its approach in such a way as to create the perception that its approach is unique. You need to find ways to do this.

## Identify specific competitors early.

If you know who your competitors are, you can identify their strengths with respect to this proposal opportunity, and then figure out ways you can neutralize them in your proposal. Once you have determined the competition's strengths, you must come up with ways your firm matches or exceeds each perceived strength.



## Call out the direct and specific benefits of your approach to the client.

It's not enough to stress the strengths of your approach or your project team. You must also point out in specific terms just how your strengths translate into direct benefits to the client. Make sure that these benefits are clear; this lets your proposal stand out above the rest of the competition.

## Commit 100% to writing the proposal.

If you want to win, you must commit yourself to the kind of effort it really takes to win. Dedicate the necessary people to the proposal, even if it means taking them off billable work. Get your subs involved from the beginning. And plan the effort from the start, to make sure everyone's time is used wisely.

## Get started early.

The best way to win is to start early. If you wait until the last possible moment, you will probably lose. To put it another way, if you wait, don't write the proposal. You can bet someone out there has got the jump on you. ■

## POSSIBLE EXPANDED ROUNDTABLE IN EARLY 2003

LAST JANUARY, the APMP NCA conducted a full day Symposium, on the topic of managing your proposal career, in lieu of the normal evening dinner/Roundtable event. It was well attended, and well-received by the participants, who also provided many ideas for upcoming events.

We are planning a similar expanded event, in January or March, with a focus on highlighting proposal-related books written by local authors. We are aware of a number of APMP members, and other local proposal professionals, who have published process or concept books. We are considering a half-day event, with presentations from a variety of authors and topics, with a possible opportunity to purchase copies.

If you would like to be considered for inclusion as a presenter, or have a name you would like to suggest, please send an email to Tom Porter at [tporter255@aol.com](mailto:tporter255@aol.com).



A Poem by Betsy Blakney

## Hope is NOT a Strategy

I hoped to make a difference  
The results I could not see  
I hoped that time was on my side  
The proposal was due at three

I hoped to make a difference  
The goal was in sight  
I hoped the team was gelling  
We couldn't afford a fight

I hoped to make a difference  
A plan was in place  
I hoped to follow best practices  
That my colleagues would not negate

I hoped to make a difference  
Some strongly disagreed  
Back to the drawing board  
Still hoping to succeed

*Betsy manages proposals and corporate communications at Datatrac Information Services, Inc. in Chantilly, Virginia. She is the Secretary/treasurer of the APMP NCA chapter since 2000.*

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# A Summary of PBSA's Impact on Proposing ▼

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ble and logical for all and shift the paradigm from traditional "acquisition think" into one of collaborative, performance-oriented teamwork with a focus on program performance, improvement, and innovation, not simply contract compliance.

## Select The Right Contractor

- Compete the solution
- Use downselection and "due diligence."
- Use oral presentations and other opportunities to communicate.
- Emphasize past performance in evaluation.
- Use best-value evaluation and source selection.
- Assess solutions for issues of conflict of interest.

Developing an acquisition strategy that will lead to selection of the "right contractor" is especially important in performance-based acquisition. The contractor must understand the performance-based approach, know or develop an understanding of the agency's requirement, have a history of performing exceptionally in the field, and have the processes and resources in place to support the mission. This goes a long way to successful mission accomplishment. In fact, selecting the right contractor and developing a partnership automatically solves many potential performance issues.

## Compete the solution.

Too many government-issued statements of work try to "solve the problem." In such cases, the agency issues a detailed SOW, often with the assump-

tion that "the tighter the spec the better," without realizing that this approach increases the government's risk. The agency SOW establishes what to



do, how to do it, what labor categories to provide, what minimum qualifications to meet, and how many hours to work. The agency then asks vendors to respond with a "mirror image" of the specifications in the proposal. The result is that the "competing" vendors bid to the same government-directed plan, and the agency awards the contract to the company with the best proposal writers...not the best ideas.

So the first key to selecting the right

contractor is to structure the acquisition so that the government describes the problem that needs to be solved and vendors compete by proposing solutions. The quality of the solution and the contractor-proposed performance measures and methodology then become true discriminators in best-value evaluation.

## Use downselection and "due diligence."

Responding to a performance-based solicitation, especially a SOO that seeks contractor-developed solutions, is substantial work for contractors. Likewise, evaluation of what may be significantly different approaches or solutions is much more substantial work for the integrated solutions team. The team will have to understand the contractor-proposed solutions, assess the associated risks and likelihood of success, identify the discriminators, and do the best-value tradeoff analysis.

Because of this, the acquisition strategy should consider some means of "downselection," so that only those contractors with a significant likelihood of winning award will go through the expense of developing proposals. As to the integrated solutions team, evaluating dozens of solution-type proposals would be overly burdensome.

"Downselection" is a means of limiting the competitive pool to those contractors most likely to offer a successful solution. There are four primary means of downselection in current acquisition methodology: using the Federal Supply Service (FSS) Multiple Award Schedule (MAS) competitive process, using the "fair opportunity" competitive process under an existing Government-wide Agency Contract (GWAC) or multiple-award contract (MAC), using the multi-

step advisory process in a negotiated procurement, or using a competitive range determination in a negotiated procurement. All these methods provide a means to establish a small pool of the most qualified contractors, competing to provide the solution.

Once the competing pool of contractors is established, those contractors enter a period called due diligence. "Due diligence" is used in acquisitions to describe the period and process during which competitors take the time and make the effort to become knowledgeable about an agency's needs in order to propose a competitive solution. It usually includes site visits, meetings with key agency people, and research and analysis necessary to develop a competitive solution tailored to agency requirements. During this time, the competing contractors must have access to the integrated solutions team and program staff so that the contractors can learn as much as possible about the requirement. It is a far more open period of communication than is typical in more traditional acquisitions.

### **Use oral presentations and other opportunities to communicate.**

One streamlining tool that eases the job of evaluation is the use of oral presentations (characterized by "real-time interactive dialogue"). These presentations provide information about the contractor's management and/or technical approach that the integrated solutions team will use in evaluation, selection, and award.

Oral presentations provide "face time," permitting the integrated solutions team to assess prospective contractors. Agencies have said that oral presentations remove the "screen" that professional proposal writers can erect in front of the contractor's key personnel. The integrated solutions team should take full advantage of "face time" by requiring that the project manager and key personnel (those who will do the work) make the presentations. This gives agency evaluators an opportunity to see part of the vendor-proposed solution team, to ask specific questions, and to gauge how well the team works together and would be likely to work with the agency.

Oral presentations can lay out the proposed solution and the contractor's capability and understanding of the requirement. Oral presentations may substitute for, or augment, written information. However, it's important to remember that statements made in oral presentations are not binding unless



written into the contract. Note that oral presentations should be recorded in some way.

### **Emphasize past performance in evaluation.**

A contractor's past performance record is arguably the key indicator for predicting future performance. As such, it is to the agency's advantage to use past performance in evaluating and selecting contractors for award. Evaluation of past performance is particularly important for service contracts. Properly conducted, the collection and use of such information provides significant benefits. It enhances the government's ability to predict both the performance quality and customer satisfaction. It also provides a powerful incentive for current contractors to maximize performance and customer satisfaction.

Past performance information can come from multiple sources. The two methods that most are familiar with are asking the offerors to provide references and seeking information from past performance information databases. For example, the NIH Contractor Performance System (CPS) is a multiple

agency, shared file system that contains contract performance evaluation information from over a dozen agencies. The Department of Defense Past Performance Automated Information System is the "central warehouse used to retrieve performance assessment reports received from the Army's Past Performance Information Management System (PPIMS), DISA's Past Performance Tool (PPT), and the Contractor Performance Assessment Reporting System (CPARS) used by the Navy, USMC, Air Force, DLA and other defense agencies."

When used in the source selection evaluation process, past performance evaluation criteria must provide information that allows the source selection official to compare the "quality" of offerors against the agency requirement and assess the risk and likelihood of success of the proposed solution and success of contractor performance.

## Use best-value evaluation and source selection.

“Best value” is a process used to select the most advantageous offer by evaluating and comparing factors in addition to cost or price. It allows selection through the evaluation of cost and non-cost factors with the intent of allowing the Government to select the contractor that offers the best value.

Note that “the rules” for the best-value and tradeoff process (and the degree of documentation required) depend on two factors: the rules for the specific acquisition process being used and the rules the agency sets in the solicitation. For example, when conducting a negotiated procurement, the complex processes of FAR Subpart 15.1, “Source Selection Processes and Techniques,” and FAR Subpart 15.3, “Source Selection,” apply. When using Federal Supply Schedule contracts, the simpler provisions at FAR 8.404 apply. However, if the agency writes FAR 15-type rules into a Request for Quote under Federal Supply Schedule contracts, the rules in

the RFQ control.

In deciding between competing proposals, price/technical tradeoffs may be made; the propriety of such tradeoffs turns not on the difference in technical scores or ratings per se, but on whether the source selection official’s judgment concerning the significance of that difference was reasonable and adequately justified in light of the RFP evaluation scheme. The discretion to determine whether the technical advantages associated with a higher-priced proposal are worth the price premium exists notwithstanding the fact that price is equal to or more important than other factors in the evaluation scheme.

In a best-value procurement, an agency’s selection of a higher-priced, higher-rated offer should be supported by a determination that the technical superiority of the higher-priced offer warrants the additional cost involved.

## Assess solutions for issues of conflict of interest.

An “organizational conflict of interest”

exists when a contractor is or may be unable or unwilling to provide the government with impartial or objective assistance or advice. An organizational conflict of interest may result when factors create an actual or potential conflict of interest on a current contract or a potential future procurement.

While concerns about organizational conflict of interest are important, they should be tempered by good business sense. For example, sometimes software development is done in stages. Organizational conflict of interest would suggest that the contractor that does the initial systems design work be precluded from the follow-on code development due to unfair competitive advantage. However, this would also mean that the agency is excluding from consideration the contractor with the best understanding of the requirement. In this case, perhaps the acquisition approach should be reconsidered to allow the definer of the requirements to continue with the development. ■

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