

Successful Bid Strategies Preparing a Proposal

by
John M. Robinson, Manager
Procurement Services
Washington River Protection Solutions, LLC

The Vision of Procurement

- Deliver the best value product or service to the customer
- Exercise personal initiative and sound business judgment to provide best value

Performance Standards

- Meet cost, schedule, performance & quality objectives of the customer by;
 - Maximizing the use of commercial products/services
 - Utilizing subcontractors with good track records
 - Promoting Competition
- Minimize operating costs
- Conduct the process with integrity, fairness and openness
- Fulfill public policy objectives

“If we keep doing what we're doing, we're going to keep getting what we're getting.”

Steven Covey

The Old Way of Doing Business

- Prime Contractors estimate subcontracting & submit SB Subcontracting Plans
 - Part of the proposal evaluation process
 - Goals expressed as a % of total planned subcontracting \$'s
 - Submit periodic progress reports
 - Good faith compliance required

The Old Way (Continued)

- Prime Contract Funding = \$250M
- Subcontract Planned = \$50M
- Small Business = 50%; \$25M or 10% of Prime Contract Funding

“The method that facility management contractors use to calculate their small business subcontracting achievements for SBA reporting purposes does not present a true picture of a contractor’s small business subcontracting because achievements are not calculated in relation to the total value of the facility management contract..”

*U.S. Government Accountability Office
May 2005*

“Small business is indeed the backbone of the American economy. Small businesses like yours are involved in all facets of this economy and the energy sector is no exception. The contributions you make are invaluable, every bit as critical to our nation’s economic and physical security as the contributions of companies three, four, or ten times as large.”

***Samuel A. Bodman
June 2007***

The New Way

- Prime Contracts include new clauses
 - Self-Performed Work
 - Limits self-performed work to % of Total Contract Price
 - Tank Operations Contract = 70%
 - Requires a % of Total Contract Price to be performed by small business
 - Tank Operations Contract = 15%
 - SB Subcontracting Fee Reduction
 - If the prime contractor fails to meet any or all of the subcontracting goals, fee may be reduced up to 10% of total earned fee.

New Way vs. Old Way

■ New Way

- Prime Contract Funding = \$250M
- Self performed
 - \$175M
- Subcontracts
 - \$75M
- SB subcontracts
 - \$37.5M

■ Old Way

- Prime Contract Funding = \$250M
- Self Performed
 - \$200M
- Subcontracts
 - \$50M
- SB Subcontracts
 - \$25M

**Opportunities for Small
Businesses have never
been better!**

**A key element to
winning business with
the Government and
the prime contractors
is....**

YOUR PROPOSAL

Objective

Identify positive steps that can be used to develop a successful proposal effort; ensuring both buyer and seller achieve mutual business success.

Buyer's Advice

READ

the

Request For Proposal

REVIEW

EAVLUATE

ACT

DELIVER

An Empowered Attitude

- Be Proactive
- Take the Initiative
- Mutual Respect
- Interdependence
- Organize and Manage
- Think Long-Term
- Seek to Understand
- Be Patient
- Continuous Improvement

Review The RFP

- The RFP is the most important document
- Several readings are necessary for a complete understanding
- Be alert for timelines and notices
 - Could be mixed throughout the RFP
 - Late notifications could be basis for disqualification
- Critical information
 - Proposal contents & constraints
 - Qualification/Eligibility Standards
 - Evaluation Criteria
 - Pre-Proposal Conferences
- Mark important pages
- Establish a schedule

Evaluate Risk Factors

- Ensure the RFP requirement is compatible with your ability to:
 - Respond to the need
 - Conduct a quality effort
 - Meet your company's mission/strategy

Evaluate Opportunity & Risk

■ Opportunity

- Corporate Direction Match
- Competitive Environment
- Revenue Value
- Potential Profitability
- In-House Content
- Future Business Potential
- Resources to Bid
- Probability of Success
- Collateral Benefit
- Overall Strategic Value

Evaluate Opportunity & Risk (Continued)

■ Risk

- Customer Commitment
- Corporate Competence
- External Obstacles
- Opportunity Engagement
- Solution of Life-Cycle Match
- Period of Performance
- Delivery Schedule
- Resource Coordination
- Penalty for non-performance
- Overall feasibility

Act

- Hold regular status meetings
 - Work from checklists, outlines
- If you don't understand something, ask a question.
 - Buyer is the point of contact
- Make proper notifications and acknowledgements
 - Intent to Propose
 - Vendor registration
 - RFP Amendment
- Don't assume knowledge of your capabilities
 - Information contained in proposal is the means for evaluation
 - Tables, charts & graphs are good for summarizing
- Leave time for duplicating, collating, and delivering

Deliver a Quality Proposal

- BE ON TIME!
- Check the proposal for:
 - Technical Consistency
 - Cost/Price Consistency
 - Spelling
 - Page Numbering
 - Format
- Ensure copies contain all pages and are in the proper order.
- Return all required forms

Pitfalls

- Failure to follow instructions
- Failure to consider evaluation criteria
- Failure to demonstrate understanding of the problem
- Failure to include all required information
- Price information not provided in required format

Pitfalls

(Continued)

- Proposal is unprofessional in appearance
- Proposal is poorly written
- Proposal repeats the RFP and contains no relevant information
- Proposal does not demonstrate firm and/or personnel have experience and capabilities
- Graphics with too much information

Lessons Learned

- Proposal should answer these questions
 - What's the problem?
 - What are you going to do about it?
 - Why are you the right choice?
- Heavy use of subcontractors
- Cost-Reimbursement Contracts require auditable accounting system
- Attendance at site visits
- No obligation to accept late proposals
- Option year pricing
- Pre-register your firm

After the Proposal

- If you win....CELEBRATE!
 - Execute as advertised
 - Seek continuous feedback
 - Build a good working relationship
- If you lose...
 - Request a debriefing with the intent to learn from your experience and apply it to other proposal efforts
 - Do not become discouraged

“When one door closes another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us.”

Alexander Graham Bell

QUESTIONS?

Thank you for
your attendance!



THE END