Plenary Session II
Responding to a Solicitation – Cost Drivers to Industry

Discussion Topics
Industry Cost of Pursuit / Industry Cost of Solution

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Cost of Pursuit

What drives the industry’s bid and proposal cost
Responding to a Solicitation: Cost Drivers to Industry
Standard Industry Gates and Colored Reviews*

**Costs Incurred by Government**

<table>
<thead>
<tr>
<th>Government Buying Cycle</th>
<th>Operate</th>
<th>Assess Needs</th>
<th>Evaluate Solutions</th>
<th>Resolve Issues</th>
<th>Buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify Need</td>
<td>Define Need</td>
<td>Analysis of Alternative (AoA), Acquisition Program Baseline (APB), Life Cycle Cost Estimate (LCCE), Operational Requirements Document (ORD), Integrated Logistics Plan (ILSP), Acquisition Plan (AP)</td>
<td>APB, LCCE, ILSP, AP, Systems Engineering Life Cycle Tailoring Plan (SELC TF), T&amp;E Master Plan (TEMP)</td>
<td>APB, LCCE, ILSP, AP</td>
<td>Produce and maintain</td>
</tr>
<tr>
<td>Mission Needs Statement (MNS), Capability Development Plan (CDP)</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**Government Acquisition Documents**

<table>
<thead>
<tr>
<th>Government Milestones</th>
<th>Identify Need</th>
<th>Define Requirements</th>
<th>Draft RFP Issued</th>
<th>RFP Issued</th>
<th>Bidders Conf.</th>
<th>Proposal Received</th>
<th>Q&amp;A</th>
<th>Q&amp;A/BAFO/FPR</th>
<th>Contract Award</th>
<th>Debriefing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Bidding Cycle</td>
<td>Market Positioning</td>
<td>Opportunity Assessment</td>
<td>Capture Strategy Development</td>
<td>Solution Development</td>
<td>Post - Submittal</td>
<td>Execution</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Decision Gates**

- **Interest Decision**
- **Pursuit Decision**
- **Preliminary Bid Decision**
- **Bid Decision**
- **Proposal Validation**
- **Proposal Submittal**
- **FPR Submittal**

**Color Team Reviews**

- **Blue Team #1**
- **Blue Team #2**
- **Pink Team #1**
- **Pink Team #2**
- **Black Hat**
- **Gold Team**
- **Green Team**
- **Red Team**
- **White Hat**

**Costs Incurred by Industry**

**Decision Gates**: Business leaders determine where to allocate or withdraw BD resources

**Color Team Reviews**: Steps toward building a winning proposal

* As Defined by Association of Proposal Management Professionals / Shipley Associates
What drives industry capture costs?

- **Solution and Proposal Development**
  - Black Hat, Storyboards, Graphics, Solution and Pricing Strategies
  - Gate Reviews and Colored Team Reviews
  - Teaming and Technology Partnerships
  - Adjust for Changes in the Solicitation or Timeline

- **Proposal Support Personnel**
  - Full Time Proposal Team, SMEs, Consultants, Strategic Hires
  - Teaming Partners and Third Party Vendors

- **Proposal Production, Phases and Post Submission Activities**
  - Delivery of Final, Physical vs Electronic
  - Number of Rounds, Discussions, Best-and-Final-Offers, Oral Presentations
Resource Consumption: Large vs Small Business

Core Proposal Team
- Program Manager
- Executive Sponsor
- Proposal Manager
  - Proposal Coordinator
    - Technical Vol. Lead
    - Section Authors
      - Section Authors Lead
    - Resume Lead
  - Management Vol. Lead
  - Cost Vol. Lead
  - Cost Analyst
  - PP Vol. Lead
  - Lead Author
    - Subcontract Plan Lead
    - Section Authors
    - Orals Coach
    - Teaming Partners
    - Green/Gold Team Reviewers
    - Pink/Red Team Reviewers

Capture Manager
- Capture Support Functions
  - Cost/Pricing
  - Technical Solution Lead
  - Management Solution Lead
  - BOE Development
  - WBS Development
  - SMEs and Consultants
  - PTW

Corporate Support Functions
- Competitive Intelligence
- CFO / Finance
- Small Business Office
- Contracts
- Subcontracts
- Human Resources
- Office of General Counsel
- Business Development

- Program Manager
- Executive Sponsor
- Core Proposal Team
- Capture Manager
- Corporate Support Functions
Industry Must Account for Opportunity Costs

Pursuing one opportunity means not pursuing another

Resource Consumption: *Roles Across Acquisition Lifecycle*
What an Economist Might Expect

A quasi-linear relationship

The Reality

In many cases, the costs to bid are more or less equivalent across the spectrum of TCVs

Potential Major Benefits to Industry and Government by Better Aligning Costs to Participate with Potential Financial Outcomes
Other Cost Buckets for the Pursuit and the Solution

Certifications:
- ISO
- CMMI
- Individual

BD Subscription Services:
- DELTEK, BLOOMBERG

On-the-Ground BD Resources to Cover Target Departments and Agencies

Mainly Fixed vs. Variable

Compliance Systems & Processes:
- Cost Accounting
- EVMS
- Reporting
Optimizing the Acquisition Lifecycle to Create a Win-Win for Government and Industry

- **RID** - Mutual Understanding of Objectives, Cost Drivers, and Macro-issues
- More Alignment of **Costs to Bid to Total Contract Value**
- Balance Long Lifecycles with Types and Size of procurement
  - May be Best Suited for GWACs/IDIQs, Large and Complex programs
  - May be Less Effective for Small to Medium Sized Single Award Situations
- Promote an Acquisition Dynamic which Values **True Solutions Delivery Capability** over the Highest Capture and Proposal Engines
- Explore Alternative Acquisition Approaches - **Oral Rounds, Simulations, and other Interactive Exercises**
- LPTA vs Best Value – Find the Balance to Achieve Success and Cost Savings
- Section M Evaluation Factors Drive Industry Behaviors – Government Defines Factors that Optimize Bid Effectiveness and Program Delivery Outcome
Cost of Solution

What drives the industry’s actual proposal price/bid
Drivers of Solution Cost

What Industry Bids

Bottom-up Analysis of Actual Costs to Perform the Work

1. Government Provided Information
2. Industry’s Assessed Risks
3. Historical Spending Info
4. Information Discovery
5. Benchmarks
6. Quality Requirements: CMMI, ISO, Other

Outputs of this Exercise

1. Work Breakdown Structure (WBS)
2. Resource Loaded Project Plans
3. Job Descriptions and Salaries/Compensation
4. Direct Cost Estimate

Only the starting point of the costing/pricing exercise
Drivers of Solution Cost

*What Drives Cost Build-up*

- **Overhead** – No one-size-fits-all approach
- **G&A** - Indirect Support Functions (TCI/13%, VACI/17%, MH&Sub/3%*)
- **Fringe** – Cost of Employing the Labor Force (37%*)
- Uncompensated additions to equipment, infrastructure, etc. (G&A and Overhead)

**Industry Labor Multiplier Trend***

<table>
<thead>
<tr>
<th>Labor Type</th>
<th>2015</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-site Direct</td>
<td>2.3</td>
<td>2.2</td>
<td>2.4</td>
<td>2.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Off-site Direct</td>
<td>1.8</td>
<td>1.9</td>
<td>2.0</td>
<td>1.9</td>
<td>1.8</td>
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</table>

*According to Grant Thornton’s 2015 Government Contractor Survey*
Drivers of Solution Cost

*Industry Assessment of Risk & Conversion to Cost/Price*

- One-off program or TO under GWAC/IDIQ such as EAGLE II
- Customer track record and company behavior regarding change orders and uncompensated work
- Contract Type: Cost Plus, Firm Fixed, Hybrid, Time & Materials
- Relationship/Partnership with customer
- Performance incentives and penalties

**2015 GT Proposal Win Rates***

<table>
<thead>
<tr>
<th>Respondent Type</th>
<th>Median Win Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>35%</td>
</tr>
<tr>
<td>Incumbent</td>
<td>75%</td>
</tr>
</tbody>
</table>

*According to Grant Thornton’s 2015 Government Contractor Survey*
Determining the Final Price Offer

A Fascinating Dilemma for Industry that Distorts Behavior

What is the price we have to bid to be the lowest of all bidders and still considered compliant?

LPTA: lowest bidder takes all (what is “technically acceptable”)

Best Value: triggers Price to Win thought process that is misunderstood (it’s not the price the customer “really has in mind”)

What does the customer really mean by best value for this procurement and how do we price accordingly?
Best Value & Price to Win

**Price to Win Thought Process**

- Winning combination of capability, solution performance and price?
- To what extent will this customer pay for more capability/performance?
- Where do we position ourselves in the gray box to win?
- Where does the government want to be in the gray box?

Clarity on What Value Means to the Government Drives Bids that Offer Best Value – Capabilities and Performance Attributes
Create a Win-Win for Government and Industry to Reduce Solution/Project Cost

<table>
<thead>
<tr>
<th>Possible Actions</th>
<th>Win-Win Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide Relevant Facts</td>
<td>Promotes Healthy Competition &amp; Discourage Industry from Pricing in Risks</td>
</tr>
<tr>
<td>Performance Incentives and Penalties</td>
<td>Drives Quality &amp; Reduces Cost</td>
</tr>
<tr>
<td>Establish Performance Baseline, Value Add &amp; “extras”</td>
<td>Allows for a Good Mechanism of Change Orders &amp; Discourages Contractors from Pricing in Risks</td>
</tr>
<tr>
<td>Look for Tangible Value on FFP bids rather than detailed cost build up</td>
<td>Encourages Innovation &amp; Drives Value-Add Services</td>
</tr>
<tr>
<td>Make “efficiencies” a required part of the proposal discussion for steady-state delivery programs</td>
<td>Reduces Cost &amp; Improves Productivity</td>
</tr>
<tr>
<td>Approach Requirements with a Lean mentality</td>
<td>Ensures contractors are doing value-generating work &amp; Reduces Cost</td>
</tr>
<tr>
<td>Take a Zero-based Approach to Re-competes</td>
<td>Removes extraneous &amp; outdated work items, Reduces Cost, Improves Productivity</td>
</tr>
</tbody>
</table>
Open Discussion
Department of Homeland Security
Doing Business with DHS: DHS 101

November 10, 2015
FY15 Procurement Spend

FY15 Contracting Spend Highlights

- DHS spent $18.1B via 88,736 buying transactions
- $18.1B equals 47.3% of the $38.2B FY15 DHS adjusted net discretionary budget.

Spend includes:
- Contracts
- Interagency Agreements
- Other Transactions
SPEND BY COMPONENT

<table>
<thead>
<tr>
<th>Component</th>
<th>Total ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS HQ</td>
<td>$ 3,567</td>
</tr>
<tr>
<td>USCG</td>
<td>$ 2,537</td>
</tr>
<tr>
<td>CBP</td>
<td>$ 2,012</td>
</tr>
<tr>
<td>TSA</td>
<td>$ 1,648</td>
</tr>
<tr>
<td>ICE</td>
<td>$ 1,351</td>
</tr>
<tr>
<td>FEMA</td>
<td>$ 913</td>
</tr>
<tr>
<td>FLETC</td>
<td>$ 1,035</td>
</tr>
<tr>
<td>USSS</td>
<td>$ 232</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 13,294</td>
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</tbody>
</table>

Data Source: FPDS-NG

FPDS-NG reports ~$13.3B of spend in FY15
FPDS-NG reports ~$13.3B of spend in FY15

<table>
<thead>
<tr>
<th>Commodity Family</th>
<th>Total ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT &amp; Telecom</td>
<td>$3,452</td>
</tr>
<tr>
<td>Professional &amp; Office Area Support Svcs</td>
<td>$3,297</td>
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<tr>
<td>Security</td>
<td>$2,211</td>
</tr>
<tr>
<td>Facilities &amp; Construction</td>
<td>$1,817</td>
</tr>
<tr>
<td>Industrial Products &amp; Services</td>
<td>$1,780</td>
</tr>
<tr>
<td>Office Management &amp; Misc Products</td>
<td>$451</td>
</tr>
<tr>
<td>Travel &amp; Lodging</td>
<td>$193</td>
</tr>
<tr>
<td>Logistics Operations &amp; Package Delivery Svcs</td>
<td>$91</td>
</tr>
<tr>
<td>Other</td>
<td>$1</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$13,294</strong></td>
</tr>
</tbody>
</table>
Do Business with DHS

Start here if you want to learn about how to work with DHS, how we assist small business, our policies and regulations and business opportunities.

CPO Annual Progress Report for FY 2013
Learn about the accomplishments of the DHS procurement community in FY 2013 and updates to the FY 2012-2014 Strategic Plan that provide direction on the Chief Procurement Officer's FY 2014 priorities, objectives, initiatives and metrics.

CPO Strategic Plan for FY 2012 - 2014
Learn how the Chief Procurement Officer drives business performance and continuous improvement through the 4 priorities and the associated objectives, initiatives, and metrics outlined in the FY 2012-2014 Strategic Plan.

Acquisition Policies & Regulations
Get information on the Department of Homeland Security acquisition policies, regulations, forms and other resources.

Business Initiatives
Learn about the Department of Homeland Security programs to encourage businesses to provide a wide range of programs and services.

Business Contacts
Find the right contact for information on contracts and doing business with the Department of Homeland Security.

Contract Opportunities
Current contracting opportunities, forecasts of contract opportunities, specialized science and technology opportunities and FedBizOpps justification and approval documents.

DHS Financial Assistance
Grants to states, local, and tribal, and regional areas to prepare, prevent and respond to disasters and terrorist attacks.

Small Business Assistance
DHS small business assistance helps companies have fair opportunities to compete and be selected for contracts. Learn about vendor outreach and resources.

The Recovery Act
Funds made the country safe and more secure. Created and saved jobs of people working to prevent terrorism.

Business Contacts
- Contact for Unsolicited Proposals
- Industry Communication Liaisons
- Office of Small and Disadvantaged Business Utilization Staff
- Open Competition Ombudsman
- Prime Contractor Contacts for Small Business Sub-Contracting Opportunities
- Small Business Specialists

Forecast of Contract Opportunities
- DHS Solicitation Letter to Contractors
- DHS Advance Acquisition Planning: Forecast of Contract Opportunities - includes projections of all anticipated contract actions greater than $150,000.
- Disclaimer

Science and Technology Opportunities
- Centers of Excellence
- Long Range Broad Agency Announcement (BAA)
- Small Business Innovation Research (SBIR) Program
- Domestic Nuclear Detection Office (DNDO) Business Opportunities
- SAFECOM Program
- The Support Anti-terrorism by Fostering Effective Technologies Act (SAFE Act) of 2002
- S&T Tech Solutions Program
- Technology Transfer Program
DHS Forecast of Opportunities

Welcome

The Department of Homeland Security Acquisition Planning Forecast System provides a way for small business vendors to view a forecast of upcoming opportunities. The system has recently been upgraded to a new version which is designed to be easier to use.

Download The APFS Tutorial

Forecast

The DHS purchases a wide variety of goods and services and we are committed to small business participation in our acquisition program. We hope that this forecast will assist you in doing business with DHS. By helping firms identify procurement opportunities as early in the acquisition process as possible, we hope to improve communication with industry and assist the small business community with its marketing efforts.

Search Forecast

About

The Department of Homeland Security (DHS) Forecast of Contract Opportunities includes projections of all anticipated contract actions above $150,000 that small businesses may be able to perform under direct contracts with DHS, or perform part of the effort through subcontract arrangements with the Department’s large business prime contractors.

Learn More

NAICS Notification

Vendors seeking to track upcoming DHS opportunities can register to be notified when records are published to APFS. An internet email address is required for subscription to NAICS-based notification.

Get Notified

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DHS Strategic Sourcing Program Office
## Over 75 Department-wide Vehicles

### IT & Telecom
1. Academy Class Management System
2. Cellular Wireless Managed Services
3. Content Delivery Network II (CDN2)
4. Data Center 2 (DC2)
5. Cyber Forensic Hardware & Software
6. EAGLE II (IT Services)
7. Enterprise PRISM Instance Support Services
8. FirstSource II - IT Hardware and Software
9. Geospatial Tech Support Services (GTSS)
10. Microsoft Enterprise Services
11. Remote Sensing
12. Tactical Comm. (TacCom) Equipment & Services
13. Technical Investigative Surveillance Equipment (TechOps)
14. Wireless Devices & Services (FSSI) ^a

### Facilities & Construction
15. Design/Build Construction – National and Regional

### Industrial Products & Services
16. Bulk Fuel
17. Janitorial & Sanitation Supplies (FSSI) ^a
18. Maintenance, Repair & Operations (MRO) (FSSI) ^a
19. Medical Countermeasures II (MCM2)
20. Medical Supplies
21. Nitrile Gloves
22. Personal Protective Equipment – Garments
23. Personal Protective Equipment – Goggles
24. Personal Protective Equipment – Hand Sanitizers
25. Personal Protective Equipment – Surgical Masks
26. Personal Protective Equipment – N95 Respirators

### Logistics Ops & Package Delivery Services
27. Domestic Delivery Services III (FSSI) ^a
28. Relocation Services

### Professional & Office Support Services
29. Architecture & Engineering Services
30. Centers of Excellence
31. Contract Auditing & Review Services
32. Credit Monitoring Services
33. Credit Reporting
34. DHS MarketPlace
35. Employee Shuttle Services
36. Intelligence/Counterintelligence Analysis, Training, & Tradecraft (ICATTS)
37. OASIS
38. OCFO: Assessment of Internal Controls Support Services
39. OCFO: Compliance, Performance, and Statistical Sampling of Internal Controls Support Services
40. OCFO: Financial Management & Reporting Support Services (TABSS)
41. Regulatory Support Services
42. Technical, Acquisition and Business Support Services (TABSS)
43. Third Party Intern Providers Support Services
44. Workers Compensation Medical Case Management Services

### Security
45. .223 Caliber Ammunition (Standard and Enhanced)
46. .223 Readily Identifiable Training Ammunition
47. .357 Sig Caliber Duty and Training Ammunition
48. .38 Special +P Caliber Ammunition 135 Grain
49. .40 Caliber Ammunition 180 Grain
50. .40 Caliber Readily Identifiable Training Ammunition
51. 9mm Luger +P Caliber Ammunition 124 Grain
52. 12 Gauge Shotgun Ammunition (3 Types)
53. Body Armor II
54. Canines
55. Detection Equipment Integrated Logistics Support
56. Explosive Trace Detection – Next Generation

### IT Software
62. Adobe Enterprise License Agreement
63. Continuous Diagnostic & Mitigation (CDM) ^a
64. Enterprise PRISM Instance Perpetual Licenses & Maintenance
65. Enterprise Software Solutions – F5 Networks
66. Enterprise Software Solutions – IBM
67. Enterprise Software Solutions – McAfee
68. Enterprise Software Solutions – NetApp
69. Enterprise Software Solutions – Quantum
70. Enterprise Software Solutions – Symantec
71. Enterprise Software Solutions – VMWare
72. Enterprise Talent Management System (ETMS)
73. Environmental System Research Institute II
74. Microsoft Enterprise Licensing Agreement
75. Oracle Enterprise License Agreement

### Office Mgmt. and Misc. Products
76. Furniture
77. Office Supply III (FSSI) ^a
78. Print Management (FSSI) ^a
79. Uniforms

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*a Federal Initiatives DHS is supporting or leading Red text denotes FY 2015 Award(s)*
In-Process Strategic Sourcing Initiatives

IT & Telecom
1. Cisco SMARTnet
2. Enterprise Computing Services
3. Enterprise Desktop Productivity Suite
4. Reverse Auction

Professional & Office Support Services
5. Architecture and Engineering Services
6. Background Investigation Services
7. Centers of Excellence (re-compete)
8. Federally Funded Research and Development Centers
9. Language Services
10. National Academy of Sciences (re-compete)
11. PACTS II (re-compete)

Facilities & Construction
12. Building Maintenance Operations (FSSI)

Office Mgmt. and Misc. Products
14. Furniture (Nationwide)

Security
15. Ammunition – 9 mm Luger +P Caliber Ammunition
16. Ammunition – Reduced Hazard Training
17. Body Armor III
18. Canines II
19. Detection Equipment – Backpack Radiation Detector
20. Detection Equipment – CCTV
21. Detection Equipment – Checked Baggage X-Ray
22. Detection Equipment – Checkpoint X-Ray (single view)
23. Detection Equipment – Checkpoint X-Ray (multi-view)
24. Detection Equipment – Enhanced Metal Detectors
25. Detection Equipment – Explosive Trace Detection - Bench
27. Detection Equipment – Personal Radiation Detectors

FY16 Goal = Award 15 New Initiatives
Strategic Sourcing Spend & Savings FY2015

Spend ($M)

- IT Hardware: $445; 15%
- IT Software: $472; 18%
- Professional & Office Area Services: $459; 16%
- IT Services: $1,139; 40%
- Facilities & Construction: $109; 4%
- Security: $56; 2%
- Logistics Ops & Package Delivery Svcs: $23; 1%
- Office Mgmt & Misc Products: $105; 4%
- Telecom: $40; 1%
- Industrial Products & Services: $22; 1%

$2.9B Spend in FY15

Savings ($M)

- IT Hardware: $79; 17%
- IT Software: $224; 48%
- Professional & Office Area Services: $41; 9%
- Facilities & Construction: $5; 1%
- Security: $11; 2%
- Logistics Ops & Package Delivery Svcs: $6; 1%
- Office Mgmt & Misc Products: $27; 6%
- Telecom: $8; 2%
- Industrial Products & Services: $5; 1%

$466M Savings in FY15
DHS Strategic Sourcing Highlights

**SPEND**
- Strategically sourced $2.9 billion in FY15
- This represents approximately 21% of the total FY15 obligated dollars
- Small businesses received 50% of the spend through strategic sourcing contracts

**SAVINGS**
- Cumulative savings = $3.0 billion (since FY05)
  - FY15 = $466 million
  - FY14 = $471 million
  - FY13 = $336 million
- Savings methodologies independently validated (March 2011)
- FY16 goal = $425 million

**UTILIZATION**
- DHS achieved a 43% utilization rate of strategic sourcing contracts in FY15
  - i.e., DHS purchased 43% of its needs through strategic sourcing for the areas covered by the vehicles we had in place during FY15.
- FY16 goal = 42%

**FEDERAL PARTICIPATION**
- DHS is an active participant on the Category Management Leadership Council (CMLC) and numerous Federal strategic sourcing initiatives (FSSI)
- DHS is a recognized leader in Federal strategic sourcing by organizations such as OMB, GAO, and Congress
DHS Office of Small and Disadvantaged Business Utilization
DHS Office of Small and Disadvantaged Business Utilization

Key premises:

- DHS supports all of the federal small business programs
- DHS has small business prime contracting and subcontracting opportunities
- DHS uses both pre-existing contract vehicles (such as the GSA schedule and DHS-wide IDIQs) and open market procedures (FedBizOpps)
## FY15 Small Business Accomplishments

**Department of Homeland Security**

**Preliminary Small Business Accomplishments - FY 2015**

*as of morning of 10/15/15 - using the SBA Scorecard Small Business Categories*

*source: FPDS*

<table>
<thead>
<tr>
<th>Category</th>
<th>Gov't-wide Goal</th>
<th>DHS-wide Goal</th>
<th>Award $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Procurement Dollars</td>
<td>N/A</td>
<td>N/A</td>
<td>$13,642,294,772</td>
<td>N/A</td>
</tr>
<tr>
<td>SB Prime Contracts</td>
<td>23.0%</td>
<td>32.0%</td>
<td>$4,658,701,170</td>
<td>34.1%</td>
</tr>
<tr>
<td>Overall SDB [8(a) + SDB Prime]</td>
<td>5.0%</td>
<td>5.0%</td>
<td>$1,995,796,221</td>
<td>14.6%</td>
</tr>
<tr>
<td>HUBZone Prime Contracts</td>
<td>3.0%</td>
<td>3.0%</td>
<td>$549,882,066</td>
<td>4.0%</td>
</tr>
<tr>
<td>SDVOSB Prime Contracts</td>
<td>3.0%</td>
<td>3.0%</td>
<td>$742,183,711</td>
<td>5.4%</td>
</tr>
<tr>
<td>WOSB Prime Contracts</td>
<td>5.0%</td>
<td>5.0%</td>
<td>$1,005,608,527</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

**Acronym Key:**

- **SB** = Small Business
- **8(a)** = Awarded under 8(a) procedures; SDBs certifed by SBA to participate in the 8(a) program
- **SDB** = Small Disadvantaged Business
- **HUBZone** = Historically Underutilized Business Zone Small Business
- **SDVOSB** = Service Disabled Veteran Owned Small Business
- **WOSB** = Women-Owned Small Business

**Note:** these accomplishments are shown in accordance with SBA reporting procedures; Ability One, Federal Prison Industries, and interagency agreements are excluded.
DHS Office of Small and Disadvantaged Business Utilization

Ongoing activities:

- DHS small business website – www.dhs.gov/openforbusiness
- Small Business Specialists in each major buying activity
- Forecast of contract opportunities
- Outreach program
- Listing of large business prime contractors with subcontracting opportunities
- DHS mentor-protégé program
Did You Know?

- In FY 2014, about 13,000 companies representing all 50 states, DC, and five territories had DHS contracts.
- Of the 13,000, about 9,400 are small businesses;
- Of those 9,400, nearly 1,800 small businesses secured their *first* DHS contract.
Industry Perspective
Where Does Industry Go From Here?

- **First: Know what you do; Do what you Know**
  - Do Your Homework
    - Read!
    - Understand the Mission of HQ Organizations and the Components
  - Identify what your company does compared to what DHS is buying

- **Build a Viable Pipeline**
  - Advanced Procurement Forecast: [http://apfs.dhs.gov](http://apfs.dhs.gov)
    - Register to receive daily updates for your company’s specific NAICS codes
  - Affordable BI tools: ezgovopps.com; govpurchase.com
Where Does Industry Go From Here?

- **Understand Your Market**
  - Major Initiatives in your Business Area
  - Your Competitors (By Capability and Socio-Economic)
  - Viable Teaming Partners
    - Graduating Small Businesses

- **Teaming with Large and Small Businesses**
  - Socio-Economic status combined with Capability areas
  - Clarify your message to potential teaming partners
  - Earn your spot on the Team
QUESTIONS AND ANSWERS
# Federal BD Lifecycle and Impacts

## Government Buying Cycle

<table>
<thead>
<tr>
<th>Operate</th>
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## Government Milestones

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## Industry Bidding Cycle

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## Industry Acquisition Documents

- Capability Presentations, White Papers, Account Plan, Teaming Arrangements, Market Research
- Opportunity Review, B&P Request, 3rd Party Review if re-compete
- Competitive Analysis, Price to Win Analysis, B&P Charge # request, SME recruitment, PM hired if large bid, RFI response
- Solution Reviews, Q&A/feedback to Government
- Proposal Outline, Q&A, Grading Criteria Review, Graphics, Pricing Reviews, Pink Team, Red Team

## Industry Acquisition Documents and Milestones

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## Overhead BD Funding

- Bid & Proposal Funding (B&P)

## Bid & Proposal Funding (B&P)

- Bid & Proposal Funding (B&P)
## Innovation in Acquisitions

### Acquisitions: Life Cycle

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<td>BAFO, orals, contract negotiations, new hire process begins</td>
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**Washington Homeland Security Roundtable**
### Breakout Session II: How Industry Views and Reacts to Debriefings, Security Clearance/EOD, Staffing, and Contract Administration

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<tr>
<td>Panel Format and Introductions</td>
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<tr>
<td>Debriefings</td>
<td>Eli Hammerman, SRA, VP, Business Development</td>
<td>LB</td>
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<tr>
<td>Incumbent Capture/Staffing</td>
<td>Catherine Kuenzel, CSGov, VP/GM Homeland Security and Civil Agencies</td>
<td>LB</td>
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<tr>
<td>Security Clearance/EOD Suitability</td>
<td>Sam Mohs, Dynamis, Director, Business Operations</td>
<td>SB</td>
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<td>Contract Administration</td>
<td>Carolyn Muir, SE Solutions, EVP, Business Operations</td>
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Debriefing Excerpts

- "Company proposed x...This will allow for a managed transition that will make this effort smoother, faster, and more efficient. Company proposed individual with skills that are a benefit to the government. The government is essentially getting two FTE in one”
- “The quote lists the PM as POC with numerous responsibilities.... This is a concern since the PM is only committed to the project x%. However, this is somewhat mitigated as the DPM is proposed 100% of the time.”
- “In the overall ranking of proposals, company’s proposal was ranked x among the ten proposals”
- “A strength for detailing the Mentor-Protégé agreement. Having a large business who participates in the program helps DHS strengthen the competitiveness of the small business community”
- “In addition to the three vendor provided references, the evaluation team obtained two additional references from PPIRS as noted below” (notes were provided in detail)
- “Agency has elected to provide more than just the brief explanation required by FAR 8.405-2(d). This comprehensive and thorough explanation should enable for greater clarity leading to the resulting award decision”
Days = calendar days after Suitability Form submittal

- **Days to Clearance**
  - Average: 70
  - Min: 20
  - Max: 120

- **Days to Clearance w/Reciprocity**
  - Average: 80
  - Min: 30
  - Max: 140

- **Days to Clearance w/o Reciprocity**
  - Average: 60
  - Min: 10
  - Max: 110