

**Synopsis of the Department of Homeland Security,
Office of the Chief Procurement Officer's
Reverse Industry Day IV: Enhancing Communications to Drive Mission Excellence**
June 28, 2017, 8:00 a.m. – 5:00 p.m.
JW Marriott Hotel, Washington, D.C.

Welcome and Keynote Address

- *Speakers: Soraya Correa, Chief Procurement Officer, Department of Homeland Security (DHS); Chip Fulghum, Acting Under Secretary for Management, DHS*

Department of Homeland Security (DHS) Chief Procurement Officer Soraya Correa opened the event by welcoming the attendees and thanking the organizers of Reverse Industry Day IV, noting that its format is now being replicated by other federal agencies. Ms. Correa stated that reverse industry days allow the federal acquisition community to hear directly from industry and provide an opportunity to have an honest and open dialogue to pave the road ahead. After sharing a powerful video focused on the mission of protecting our homeland, Ms. Correa shared the theme of the Reverse Industry Day IV: Enhancing Communications to Drive Mission Excellence, and reminded the attendees that engagement with industry is critical to efficiently and effectively procure the goods and services needed to accomplish the DHS mission. Session topics included: Enhancing Acquisition Planning through Early Engagement with Industry; Optimizing Contractor Performance through Incentives; Dynamics of Industry Teaming; The Good, the Bad, and the Ugly of Debriefings; and What I Wish I Had Known When I was in Government Service. In addition, for the first time, DHS employees participated in the Reverse Industry Day panels. Ms. Correa then introduced the keynote speaker, DHS Acting Undersecretary for Management Chip Fulghum, stating that we are all able to do our jobs well because of the great leadership at DHS. She shared that Mr. Fulghum strongly supports her efforts to enhance our business processes and make the best decisions for procurement at DHS.

Mr. Fulghum addressed Secretary John F. Kelly's focus on DHS's Unity of Effort, likening it to tug of war, and we must ensure that all lines of business across DHS are pulling in the same direction. A key tenant of this effort is management reform; our lines of business need to work together because we support one another and need to build better processes to enable our ability to improve what we do. He also focused on acquisition reform. He spoke about how we are improving acquisition, such as using documentation as a measure, incorporating cost estimating into the documentation, linking acquisition to budgeting, and focusing on the requirements process to identify needs and capability gaps. Additionally, Mr. Fulghum shared that DHS is focused on building speed into the acquisition of IT across the agency by working across the lines of business through an agile piloting effort. He stated that measuring success in agile

programs is more than just software development metrics – it is also about adding business value.

Mr. Fulghum stated that he was a strong advocate of Ms. Correa’s Acquisition Innovations in Motion (AIiM) initiative because it focused on action and attributable results. The Procurement Innovation Lab, stood up by Ms. Correa, is the centerpiece of DHS’s innovation and willingness to take risks. Within this virtual lab, we innovate, but we also recognize that with innovation comes failure, and we reward the failure. A recent example of this is with the Flexible Agile Support for the Homeland (FLASH) acquisition. DHS did many great new things in this procurement, such as videos, speed dating, and coding challenges, but did not innovate on the backend evaluation process, which resulted in a report that was over 800 pages. However, we are learning from this and are still willing to go out and try new things.

Mr. Fulghum concluded his keynote address by reminding the audience of DHS’s mission, emphasizing the “we” from DHS’s mission statement. He stated that we cannot achieve our mission without industry as our partners, and thanked everyone for their public service.

Enhancing Acquisition Planning through Early Engagement with Industry

This session shared the importance and objectives of requests for information and one-on-one meetings and how to foster communication and engagement between government and industry.

- *Speakers: Kevin Dupuis, Technology and Operations Hybrid Division, Office of Contracting, United States Citizenship and Immigration Service, DHS; Angela Guthrie, Customer Engagement and Development Division, Office of Information Technology, Transportation Security Administration (TSA), DHS; Tom Coleman, IBM; Christopher Kenly, Eagle Ray, Inc.; Diane McCain, Potomac Management Solutions, LLC; Christina Saxon, Northrop Grumman*

This panel consisted of two different role-plays focusing on the Request for Information (RFI) process. Industry and DHS employees teamed up on this panel to conduct two role-plays focused on the RFI process. They highlighted the processes that industry goes through to determine if they will go after an opportunity or not. This process includes at least four phases of review: 1) Identification; 2) Qualification; 3) a Bid or No Bid Decision; and 4) Final. The identification review determines if the deal is potentially one that the company wants to pursue, typically aligned to the release of an RFI. The qualification review determines if the company is truly qualified and can differentiate itself in this opportunity. The Bid or No Bid decision occurs around the time a solicitation is released, and the final review is done to ensure the company still wants to submit its proposal prior to the proposal due date. At any time, the company may decide

to stop the pursuit. Some common reasons may include: unclear requirements, different understanding of the requirement after government responses or clarifications through question and answer periods, or if the company does not have the resources to commit to a quality proposal submission.

Industry needs to understand the intent of the RFI; if the Government is unclear about the solution it is looking for, the RFI needs to state that. Without this understanding, industry is left guessing about the requirement and debating if there is an opportunity. Industry has limited resources, and it takes time to prepare a response. If the Government requests a rough order of magnitude estimate, this is particularly time-consuming. Industry will only respond if they see a potential return on investment. If the timeline is too short, industry suspects the requirement is pre-wired for a specific company and may choose not to respond. Ideally, for larger procurements, industry wants to see a sources sought or RFI at least a year out from release of a solicitation, and a draft solicitation at least three months out from release of the final solicitation.

The role-plays highlighted the stress points for industry personnel. For example, the CEO is focused on prioritization, the Business Development Lead focused on business opportunities that are a good fit for the company, the Technical Manager is focused on balancing supporting current clients with corporate opportunities, and the contracts and Procurement Director focused on balancing limited resources to meet current contract requirements while supporting future opportunities.

The first role-play example featured three different RFIs and how a company decides which RFI opportunities to pursue. Factors that influence a company's decision to submit an RFI response or not include: the customer relationship, timeline and deadline for submission, competition, resource board, probability of winning, teaming strategy, and the intent of the RFI. The key takeaways from this role-play was that the government should clearly communicate the intent of the RFI (e.g., market research, addressing unknowns, feedback on draft statements of work, etc.), and that industry strongly seeks feedback after submission of RFIs so they can understand the government's next steps. This provides industry with lessons learned for understanding the customer, the mission, and the needed solution. Lack of communication and feedback is seen by industry management as an indicator that they are not a viable bidder. Industry would like the government to address in the RFI if there are plans to provide feedback on responses and the timeline. Industry noted that the company's leadership consistently asks about status, and lack of information reduces the company's likelihood to continue to pursue the opportunity.

The second role-play example focused on one-on-one meetings, and depicted an unproductive meeting and a productive one. In the unproductive one-on-one meeting, the government team was underprepared and the company was not specific in its pitch or discussion. There was no focus on solutions or suggestions and the contracting officer

shut down any specific questions. In the productive one-on-one meeting, the contracting officer welcomed the company representatives and stated that this was a follow-on meeting based on the company's RFI response. The company acknowledged that the government had been forthright and timely in addressing questions the company asked even after the RFI submission date had closed. In this meeting, the company asked clear questions and received open and honest responses, which were provided in a way that did not offer any unfair competitive advantage to this company over others. The intent of both the RFI and the one-on-one meeting were clear. The key takeaways from this role play was that one-on-one meetings, if conducted well, provide the government with the ability to learn different approaches to solve mission problems, ask questions of industry that will clarify business practices and understand current market space, and receive key input to shape the requirement. Additionally, these meetings permit industry to ask questions to better understand the mission needs and constraints, vet solutions to better shape the requirement to solve mission problems, and share proprietary information regarding their solutions and capabilities to help determine if the company is best suited to bid on the procurement.

How Do We Get There? *Optimizing Contractor Performance through Incentives*

This session discussed incentive-based contracting with a perspective on how to use aspects of the contract to optimize performance.

- *Speakers: Tom Romeo, Maximum (Moderator); Karolyn Gardner, Dewberry; William Randolph, ASI Government; Roy Stiles, Karsun Solutions*

This session began with the panelists citing an example of an Order issued to Allied Forces for the D-Day Invasion to illustrate that outcome-based thinking is not new and to emphasize that the government should focus on the "what" instead of the "how." If the government is outcome-focused and performance-based, this brings the best solution instead of defining a specific requirement, which limits flexibility. The panelists then provided an overview of the Performance Incentives Model, which focuses on four areas: 1) Know the Marketplace; 2) Define Outcomes Orientation; 3) Gain Insights into Incentives; and 4) Tell an Intentional Story. Marketplace movement is continuous and it is important to consistently analyze it. The government should clearly state what success result or outcome they want to achieve. Through information exchanges and communicating with industry, the government should determine what incentives will motivate behavior. Sections B, C, L, and M should be used to tell a story of the complete outcomes.

The panel shared industry's perspective on performance incentives based on contract type. The panel presented case studies of cost plus award fee, fixed price incentive target, and fixed price award fee contract types, and discussed why each contract type worked and opportunities for improvement.

A case study on outcome-based incentives was also presented. The outcome-based contracting model is advantageous to the government because it increases transparency and incentivizes outcome. Outcome-based incentives focus all stakeholders on outcomes and not the process, and allow contractors the flexibility to implement best practices and innovation. Incentives can be aligned to the outcomes that the government wants, which will align with the success of the program. One of the key industry messages and recommendations is that early, intentional, and robust communication results in better proposals, better solutions, and better execution.

Afternoon Keynote Address

- *Speaker: Soraya Correa, Chief Procurement Officer, DHS*

CPO Soraya Correa gave the afternoon keynote address and reminded the audience that we are mission enablers and must support the agency not only as contracting professionals, but as business advisors. She shared that as a business advisor, she rarely mentioned the Federal Acquisition Regulations (FAR) when working with her customers, and focused on the requirement instead. Ms. Correa stressed the importance of having clear and transparent communications with industry, and noted that the Industry Liaison role is a conduit for industry to navigate them through the process and connect them to the correct people. She also encouraged taking risks; the Procurement Innovation Lab was established to improve the process. Ms. Correa commended the Flexible Agile Support for the Homeland (FLASH) procurement team for trying to enhance how the government does business. She concluded the keynote address by sharing the Office of the Chief Procurement Officer's (OCPO) vision to be "innovative and flexible business advisors delivering the right solutions to enable the DHS Mission," through OCPO's four priorities to inspire and motivate people, deliver exceptional results, enhance mission capabilities, and promote meaningful communications.

Who Is With Us? Dynamics of Industry Teaming

This session focused on helping DHS understand how industry teaming decisions and dynamics impact market research, acquisition strategy, performance incentives, and contract outcomes.

- *Speakers: Ken Dodds, Director, Office of Policy, Planning, and Liaison, U.S. Small Business Administration (Session Keynote); Andy Lieber, Management Concepts, Inc. (Moderator); Kristen Cooke, Acuity, Inc.; Scott Hastings, Deep Water Point; Stephanie Irby, CACI*

Ken Dodds from the U.S. Small Business Administration provided the session keynote and gave an overview of the small business teaming rules. He discussed rules regarding limitations on subcontracting, joint ventures, and mentor protégé programs.

The panelists then provided an overview of teaming and why it is important. They defined teaming as two or more companies working together to deliver a particular solution to the government, and noted that the more complex the requirement, in general, the larger the team. Through teaming, industry can offer a comprehensive, “best-in-class” solution, improve customer knowledge, and comply with acquisition strategy.

Finding the right partner(s) that can help industry deliver the best solution to the government is not easy. Factors that influence team selection include: entry into new markets, capabilities, domain knowledge, partnership/relationship, ability to reach pricing goals, and compliance with government requirements. Industry noted that the easiest part of teaming is finding companies that can meet the capabilities, but the hardest part of teaming is finding companies with the same values and goals as them. To conclude the session, the panelists provided recommendations of how DHS can help promote and encourage successful teaming relationships. Recommendations included early identification of acquisition strategy, industry days, and providing lead-time so that industry can build the right team. Industry teams to win the business, and the more industry knows about the mission, the better the team will be.

How Did I Do? *The Good, the Bad, and the Ugly of Debriefings*

This session discussed different mediums of debriefings: including in-person, phone, and written.

- *Speakers: Iulia Manolache, Executive Office of the President, Office of Management and Budget; Earl Barron, Infrastructure Information Collection Division, Office of Infrastructure Protection, DHS; Margaret Butler, Mission Essentials Acquisition Division, Office of Contracting and Procurement, TSA, DHS; Annette Vaughn, Policy and Acquisition Workforce, Office of the Chief Procurement Officer, DHS; Michael B. Smith, Office of Selective Acquisitions, DHS; Carolyn Muir, SE Solutions (Moderator); Dan Ford, Capgemini Government Solutions; Phil Kangas, Grant Thornton; Susan Suskin, Abacus Technology Corporation*

Iulia Manolache from Office of Management and Budget opened the session by discussing Office of Federal Procurement Policy’s “Myth-busting 3” memo, “Further Improving Industry Communication with Effective Debriefings.” Ms. Manolache stated that engagement with industry is always a priority, and attempting to avoid a protest is not a good reason to not give an effective or efficient debriefing – vendors will protest to get information that is not received in a debriefing.

Industry and DHS employees teamed up on this panel to conduct three role-plays to depict different mediums of post-award debriefings to an unsuccessful offeror. The role-plays consisted of corporate stakeholders (account executive, contracts, technical lead, pricing, proposal manager, and business development executive) and government stakeholders (contracting officer, contract specialist, and technical representative).

The first scenario demonstrated a written debriefing. The unsuccessful offeror received a standard boilerplate debriefing letter with the minimum required information. The scenario demonstrated that receiving this limited information leaves an offeror with many questions as to where their proposal could have been improved and lacks any detail or specifics as to their weaknesses or strengths.

The second scenario demonstrated a phone debriefing. In this scenario, the government team, led by the contracting officer, read the written debriefing letter verbatim. The company was given the opportunity to ask questions, however, no specifics were provided, and questions were answered in one-word responses, Yes/No, which further frustrated the unsuccessful offeror. Furthermore, the responses were blanket generalizations and no information was provided on improving the company's proposal.

The third scenario was the face-to-face debriefing (in-person). The government team, led by the contracting officer, went over the general solicitation, evaluation criteria, and then discussed the unsuccessful offeror's proposal. The government team re-affirmed that the source selection procedures were followed and reiterated that at the end of the debriefing, the government would explain the trade-off decision based on the price difference in proposals. The company received clear and specific explanations, and learned about the strengths and weaknesses of the proposal, which the company can use as lessons learned to improve future proposal submissions.

After watching the role-plays, Michael B. Smith from DHS's Office of Selective Acquisitions provided his feedback and stressed the importance of confidence, planning, and coordination when giving debriefings. He recommended addressing specific strengths and weaknesses, and to avoid making broad generalizations or sharing information from other proposals.

Debriefings are critical to industry because they provide companies with feedback to understand how to put together proposals for future requirements. Successful debriefings occur when industry comes prepared to ask the right questions and the government comes prepared by anticipating what those questions will be.

What I Wish I Had Known When I Was in Government Service

This session highlighted key themes of the day and provided the panelists' perspectives on what they learned during their time in industry that would have been beneficial to know during their time in public service.

- *Speakers: Ann-Marie Johnson, Unisys (Moderator); Michael Freeman, General Dynamics IT; Dennis Murphy, ASM Concepts, LLC; Cheryl Tyler, CLT3 Consulting*

The panelists reflected on the day's sessions and shared what they wish they had known when they worked for the government. Some examples that were shared included knowledge of different types of contracting vehicles, an understanding of the procurement process and timelines, as well as more engagement with industry. Both government and industry need to understand that they can each contribute to the whole of "we." The panelists also discussed the need to engage more with mid-tier companies and companies new to government contracting.

Despite working for the private sector, the mission has not changed – they still want to serve the American people. The panelists discussed the importance of mentoring and training. There is a specific need to bridge the gap between the program managers and contracting community so that everyone is familiar with the process and rules, and will not fear the Federal Acquisition Regulations. Acquisition is a team sport, and it is about the mission for everyone – both government and industry.

Closing Remarks

- *Speaker: Nina Ferraro, Acting Deputy Chief Procurement Officer, DHS*

Acting Deputy Chief Procurement Officer Nina Ferraro provided the closing remarks and recapped the day. She echoed Mr. Fulghum's opening remarks – the more that government and industry engage, the more we will pull in the same direction.

Attachment A: Slide Presentations

Attachment B: SBA Additional Information

Attachment C: Survey Results