



Chapter 6

The federal acquisition process: emerging directions

6.1 Overview

How do RFPs and RFSs originate? The answer is that they are extraordinarily complex contractual documents prepared by a variety of government employees in accordance with an intricate, formalized sequence of regulated procedures. It was during World War II that the federal government began to carefully regulate its procurement processes. From that time until the mid-1990s, U.S. procurement law evolved toward increased complexity (multiphased contracts and elaborate evaluation methods) and increased competition, even in subcontracting. The focus was on accountability, that is, objective and defensible acquisition decisions [1]. Contracting officials and technical staff alike were extremely concerned that the competitive efforts for which they had oversight responsibility were conducted in full accordance with appropriate agency-specific procurement

regulations. However, federal acquisition streamlining and reform legislation enacted in 1994 and 1996 along with the President's Management Agenda (PMA) of 2001 has placed more decision-making and discretionary authority back in the hands of government contracting officials.

6.2 Statutory and regulatory requirements for competition

The FAR system is part of the Code of Federal Regulations (CFR) [2]. It is the FAR that is the primary source of procurement regulations used by all federal agencies in their acquisition of supplies [3], construction, services [4], and research and development with appropriated funds. All of the provisions and clauses that are used in government contracting are found in the FAR, which is interpreted and applied in areas of dispute through a complex process of litigation and court and special governmental board decisions [5]. The DoD FAR Supplement, NASA FAR Supplement, Air Force Supplement, and Department of Energy Supplement all augment and amplify the FAR and should be used in conjunction with the FAR when determining acquisition regulations relevant to DoD and Air Force contracts, and NASA and DOE policies and procedures. Your company can order copies of the FAR and its supplements directly through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, fax (202) 275-0019. Agency supplements to the FAR and services regulations complement the FAR but do not contradict it. You can also review and download the FAR in HTML, PDF, and other formats from the Web at <http://www.arnet.gov/far/>.

The FAR is the primary source of procurement regulations used by all federal agencies in their acquisition of goods and services.

The FAR system, which became effective on April 1, 1984, replaced the Federal Procurement Regulation (FPR) used by civilian agencies of the federal government, the Defense Acquisition Regulation (DAR) used by DoD, and the National Aeronautics and Space Administration Procurement Regulation (NASAPR) used by NASA. The Commission on Government Procurement, established on November 26, 1969, by P.L. 91-129, was given the charter of studying the statutes, policies, regulations, and practices affecting government procurement and recommending improvements. Following years of effort, the FAR was announced in the *Federal Register* on September 19, 1983 [6]. You can locate the important SFs included in RFPs in FAR Part 53.

The Federal Acquisition Regulations System was established to codify and publish uniform policies and procedures for the acquisition of goods and services by all executive agencies. The FAR record is divided into Subchapters a through h, and Parts 1 through 52. Give particular attention to Subchapter c, “Contracting Methods and Contract Types.” The opportunity for your company to submit written comments on proposed significant revisions to the FAR is provided through notification of proposed changes in the *Federal Register*. The *Federal Register* is the official daily publication for rules, proposed rules, and notices of federal agencies and organizations, as well as executive orders and other presidential documents. The current volume of the *Federal Register* (Volume 69, 2004) can be found online at <http://www.gpoaccess.gov/fr/index.html>. In addition, you can search the *Federal Register* from 1994 to present at this Web site.

FAR Part 15—Contracting by Negotiation, establishes that in negotiated procurements the bidder must be responsible; evaluation criteria are flexible, that is, tailored to the procurement; and the acquisition process may be competitive or noncompetitive. Unlike sealed bidding (IFBs), negotiated procurement is not merely a series of steps. Every federal government agency has a somewhat unique pattern of procurement activity. Be sure to visit the contracting offices of your company’s target client agencies and obtain copies of the handbooks that govern procurement practices for that particular agency.

6.3 The source selection process

Competitive negotiation is formally called *source selection*. This process, which is regulated by the FAR at Subpart 15.3 and designed to select the proposal that represents the best value to the government, normally involves the following steps.

First, an RFP is prepared and publicized by the government. Federal government RFPs all look essentially the same in terms of major sections (A through M) as a result of the application of the Uniform Contract Format (UCF), established at FAR Subpart 15.204.1 (see Table 15.1 in the FAR).

Second, technical and cost proposals are submitted to the client organization by offerors in the contractor community.

Third, proposals are analyzed, evaluated, and rated by a team of client staff against documented, weighted criteria and unstated standards.

An award can be made at this stage without discussions, based on the decision of the Source Selection Authority (SSA).

Fourth, potentially successful proposals are identified and included in the competitive range (shortlisted, see FAR Subpart 15.306) based on

price and other factors; all others are eliminated from further competition and the offerors notified in writing of such.

Fifth, oral and written discussions are conducted with those offerors in the competitive range for the principal purpose of eliminating deficiencies in their proposals.

Sixth, those offerors are given an opportunity to submit BAFOs (see FAR 15.306).

Seventh, BAFOs are evaluated and a contract award is made to the offeror whose proposal is most advantageous to the client, as determined on the basis of stated evaluation criteria.

Eighth, unsuccessful offerors are notified promptly in writing (per FAR 15.503).

Finally, debriefings are held with unsuccessful offerors.

According to FAR 2.101, *acquisition* means the acquiring by contract with appropriated funds of supplies or services by and for the use of the federal government. There are four primary phases in the acquisition process used by the U.S. government: (1) needs assessment and determination; (2) acquisition planning; (3) solicitation release, proposal evaluation, contractor selection, and contract award (source selection phase); and (4) contract administration. Within NASA, for example, there are the following major steps in the acquisition process: (1) selection of a candidate project; (2) commitment to project planning; (3) project planning review; (4) project approval by Deputy Administrator; (5) RFPs; and (6) system design, development, and operation (see Figure 6.1). The federal government fiscal year (FY) begins on October 1 of each year.

Fundamentally, the source selection involves two processes:

- 1.** Selection of a contractor;
- 2.** Formation of a contract.

The federal government uses a hierarchical source selection organization, the size of which depends upon the complexity, size, and importance of the procurement [7]. The source selection process has traditionally been dominated by weapons procurement. The formal source selection procedures of the U.S. Air Force serve as a frequent model for other federal agencies as well as international governments. All formal U.S. government source selection systems, such as presented in the *NAVSEA Systems Command Source Selection Guide* (February 15, 1984), are structured for objectivity, legality, and thoroughness. Most systems use successively weighted levels of evaluation, which allow the government to assign relative importance to each evaluation criterion. In the Air Force system, an SSA is

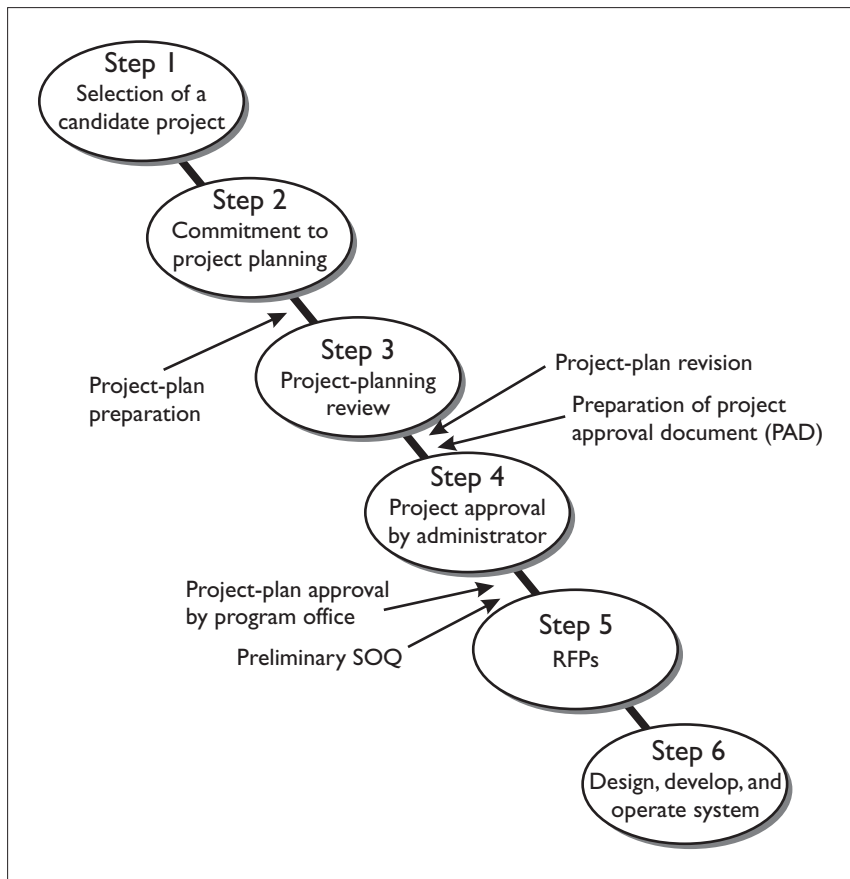


Figure 6.1
NASA acquisition
process. (Source:
*Statements of Work
Handbook NHB
5600.2., p. 3.*)

supported by a Source Selection Advisory Council (SSAC), which in turn is supported by a Source Selection Evaluation Board (SSEB).¹ The SSEB is actually groups of teams that evaluate the proposal. The SSEB teams are further divided into subpanels, areas, items, factors, and subfactors. It is at the level of subfactor that the actual scoring (evaluation) occurs. The overall evaluation is then a compilation of subscores. Scoring can take the form of numbers; a plus, check, minus scheme; colors; or adjectives (pass/fail; outstanding to unsatisfactory). Scoring of proposal responses is weighed against the prescriptions (standards) [8] set forth in the government's highly proprietary *Source Evaluation Guide* (or *Handbook*). The NASA

¹ The U.S. Army Corps of Engineers' (USACE) source selection organization is the SSEB. In this agency, the SSEB is comprised of separate technical-evaluation and cost-evaluation teams. This organization is designed to ensure active, ongoing involvement of appropriate contracting, technical, logistical, legal, cost analysis, small business, and other functional staff management experience in the procurement process.

system includes a Source Selection Official (SSO), an SEB, committees, panels, and subpanels. Again, evaluation occurs at the subpanel level. Of note is the fact that evaluation scores are not binding on source selection officials “as long as the official has a rational basis for the differing evaluation” [9].

In accordance with FAR 1.602-1(a), COs have the authority to enter into, administer, or terminate contracts and make related determinations and findings (D&F). The D&F detail the proposals that will be included in the competitive range and the reasons for those decisions. The determination is the conclusion or decision supported by the findings. The findings are statements of fact or rationales essential to support the determination and must cover each requirement of the statute or regulation (FAR 1.701).

6.4 Full-and-open competition

Full-and-open competition means all responsible sources are permitted to compete. The major requirement of the Competition in Contracting Act (CICA) of 1984² was that full-and-open competition is the required standard for awarding contracts. CICA '84 established the civil service position of competition advocate to promote and ensure the use of full and open competition whenever feasible [10]. “The Office of Federal Procurement Policy Act (41 U.S.C. § 404) requires that each executive agency of the Federal Government designate an advocate for competition for the agency and for each procuring activity within the agency” [11]. The fact that cost and technical volumes are evaluated separately is not a statute or part of the FAR but is simply part of traditional practice. In full-and-open competitively negotiated bids, the CO is not bound by the Source Selection Board’s decision. He or she can, in fact, override the conclusions and recommendations of the selection board. And no Final Proposal Revision is required.

No matter how objectively the RFP and the proposal evaluation process are structured, or how much the client’s contracts office enforces competition in contracting protocol, in the final analysis the evaluation is one of human judgment. Remember that the proposal must address both *stated* and *unstated* criteria. Human judgment certainly pertains to the unstated criteria.

2 The CICA '84 was implemented in the FAR through Federal Acquisition Circulars (FACs) 84-5 and 84-6.

6.5 Major contract types

There are two basic types of contracts that result from the negotiated bid process: fixed price and cost reimbursement. A firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of your company's cost experience in performing the contract. This contract type places full responsibility and maximum risk on your company for all costs and resulting loss or profit. The latter calls for paying the contractor all incurred direct and indirect costs, as defined and specified in the contract, plus some profit [12]. When bidding fixed-price opportunities, your company must ensure that it fully understands the scope of work and terms and conditions of the contract in order to ensure an acceptable profit.

In addition, there are several unusual combinations of fixed-price and incentive-type contracts. These include Fixed-Price Incentive Firm (FPIF) (FAR 16.403, <http://www.arnet.gov/far/>) and Fixed-Price Award Fee (FPAF) (FAR 16.404, <http://www.arnet.gov/far/>).

The fixed-price incentive (FPI) contract provides for an adjustment of profit and the establishment of the final contract price by means of a formula based on the relationship of final costs to a negotiated target cost. Under this type of contract, the following elements are negotiated at the outset: a target cost, a target profit, a ceiling price, and a formula for establishing final price and profit.

When costs are less than the target cost, the contractor's profit is increased in accordance with the formula negotiated. When costs exceed the target, the contractor's profit is reduced. Therefore, both the government and the contractor share in the risk. However, the contractor still shoulders significant risk, because if actual costs far exceed the target, the formula for adjustment of profit may yield a negative figure or a net loss.

The government's assumption of risk is limited also by the ceiling price negotiated, as that is the maximum amount the contractor can be paid. To provide an incentive consistent with the circumstances, the formula should reflect the relative risks involved in contract performance.

Under FPAF contract vehicles, award-fee provisions may be used in fixed-price contracts when the government wishes to motivate a contractor and other incentives cannot be used because contractor performance cannot be measured objectively. Such contracts shall establish a fixed price, including normal profit, for the effort. This price will be paid for satisfactory contract performance. Award fees earned (if any) will be paid in addition to that fixed price. FPAF contracts provide for periodic evaluation of the contractor's performance against an award-fee plan.

6.6 Significant recent paradigm shifts in federal government acquisition

Change has been *the* constant in the federal government acquisition arena since the mid-1980s. Two decades ago, a gradual shift began in *what* the federal government was buying [13]. Specifically, in FY1985, supplies and equipment accounted for 56% or \$145 billion (in 1999 constant dollars) of the contracting dollars, compared with services, construction, and R&D [14]. By FY1999, however, the largest acquisition category was services, standing at \$78 billion, or 43% of total spending [14]. Among the top items in the services category was professional, administrative, and management support [13].

In addition to the changes in *what* the federal government was buying, there have also been significant changes in *how* the government has been buying goods and services [13]. The decade of the 1990s saw such landmark legislation as the Federal Acquisition Streamlining Act (FASA) of 1994 and the Federal Acquisition Reform Act (FARA) of 1996. Congress had enacted these important pieces of procurement reform legislation to enable the government to take full advantage of the commercial marketplace and to allow contracting officers to exercise sound business judgment, initiative, and creativity in satisfying the needs of their agency customers [15].

This paradigm of procurement change continued into our new century with the President's Management Agenda (PMA) of 2001. And the trajectory of change continues to this day, with the goals of *increased accountability* from both the federal government and the contractor communities; *streamlined acquisition processes*; procurement that focuses on *measurable results*, service quality, and customer satisfaction (performance-based contracting and acquisition); and *expanded confidence* on the part of the American people in their federal government and the disposition of their tax dollars.

In addition, federal agencies are making increased use of contracts awarded by other agencies as well as Federal Supply Schedule (FSS) contracts awarded by the General Services Administration (GSA) [16]. Use of the FSA FSS grew from \$4.5 billion in 1993 to \$10.5 billion in 1999 [17]. Most of this growth was in the area of information technology. Of note is that GSA studies have shown that acquisition time is reduced significantly under schedule buys [17].

Collectively, these acquisition changes tell us that the federal acquisition environment is now characterized by a greater reliance on services and information technology [17]. Additionally, electronic commerce (EC) is

now being used as the preferred approach to accomplish a variety of procurement tasks and to streamline and improve federal buying practices [17]. Of note, however, is that electronic procurement carries with it associated cybersecurity, personal privacy, reliability, and data integrity issues. Because the U.S. government is one of many players in the global services- and information-driven economy, it will have to continue to become a more savvy, commercial-oriented buyer [17].

Figure 6.2 presents in sequential order some of the critical legislation, executive orders, and other federal guidance that have been instrumental in shaping U.S. government procurement decisions and actions as well as contractor proposal responses during the past two decades.

Competition in Contracting Act (CICA) of 1984 (P.L. 98-369): This act amended the Armed Services Procurement Act and the Federal Property

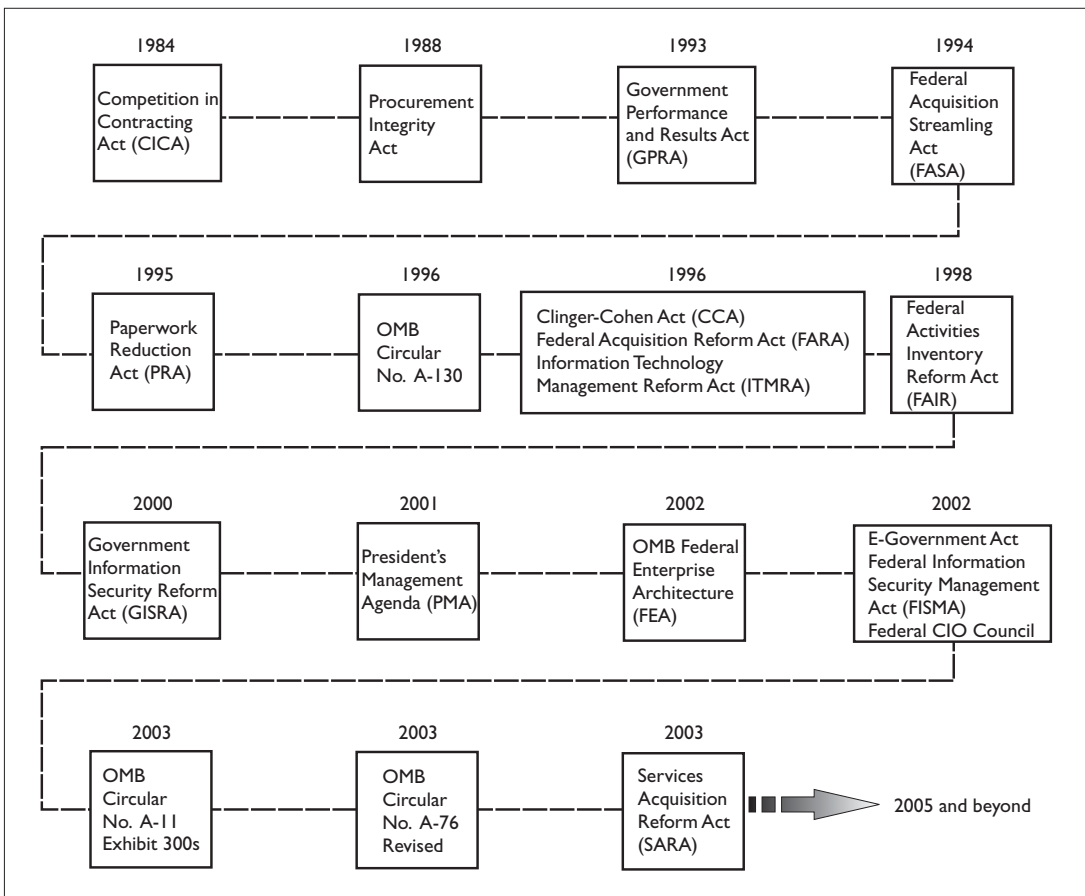


Figure 6.2 Critical legislation, regulations, and policy guidance that have driven federal procurement actions and contractor proposal responses.

and Administrative Services Act of 1949 to enhance competition in federal contracting by requiring a justification for any procurement in which full-and-open competition would not be obtained. This public law was enacted for the purpose of increasing the number of government procurements conducted under the principles of full-and-fair competition, as opposed to contracts that are issued under noncompetitive arrangements such as “sole source” or “set-aside” awards. Contracting officers are required to promote and provide for full-and-open competition in soliciting offers and awarding U.S. government contracts over and above the simplified acquisition procedures (SAP) threshold. Maximum competition is desirable from a public citizen perspective because it results in the timely delivery to the U.S. government of quantity products and services at reasonable cost.

Procurement Integrity Act (1988): This act prohibits the disclosure of “contractor bid or proposal information” and “source selection information.”

Government Performance and Results Act (GPRA) of 1993: This act established strategic planning and performance measurement in the federal government to improve the efficiency and effectiveness of federal programs. Under the GPRA, the director of the Office of Management and Budget (OMB) now requires each federal agency to prepare an annual performance plan covering each program activity set forth in the budget of the agency. OMB must establish performance goals to define the level of performance to be achieved by a program activity, and express such goals in an objective, quantifiable, and measurable form.

Federal Acquisition Streamlining Act (FASA) of 1994 (Title V, FASA VP.L. 103-355; signed into law October 13, 1994): This act required federal agencies to establish cost, schedule, and measurable performance goals for all major acquisition programs, and to achieve on average 90% of those goals. FASA focused largely on the purchase of commercial items and smaller dollar buys (those under \$100,000). Importantly, the act exempted commercial items from many unique government requirements. Acquisitions over the micro-purchase limit (\$2,500) but not exceeding \$100,000 were reserved for small businesses. Under FASA, contracting officers were encouraged to use approaches in awarding contracts that leveraged SAP. In addition, FASA gave agencies statutory authority to access computer records of contractors doing business with the federal government. The act also placed a greater emphasis on the use of past performance when selecting a contractor [18]. FASA “repeals or substantially modifies more than 225 provisions of law to reduce paperwork burdens, facilitate the acquisition of commercial products, enhance the use of simplified procedures for small purchases, transform the acquisition process to electronic commerce, and improve the efficiency of the laws governing the procurement of goods

and services” [19]. “The bill strongly encourages the acquisition by federal agencies of commercial end-items and components, including the acquisition of commercial products that are modified to meet government needs” [20]. Instrumental in the generation of this specific legislation was Executive Order 12862, the Government Performance and Results Act (1993), and the Chief Financial Officers Act of 1990.

Finally, FASA encouraged the use of electronic commerce, and established the statutory framework for task and delivery order contracting [21].

Paperwork Reduction Act (PRA) of 1995: The Paperwork Reduction Act established a broad mandate for agencies to perform their information resources management (IRM) activities in an efficient, effective, and economical manner.

OMB Circular No. A-130, “Management of Federal Information Resources”: This circular provides uniform governmentwide information resources management policies as required by the Paperwork Reduction Act of 1980, as amended by the Paperwork Reduction Act of 1995.

Clinger-Cohen Act of 1996 (P.L. 104-106, signed into law on February 10, 1996): Enactment of the Clinger-Cohen Act was driven by the federal government’s growing reliance on information technology (IT) and the resulting increased attention and oversight on its acquisition, management, and use. Building on FASA, Clinger-Cohen provided the statutory foundation to streamline IT acquisitions and minimize layered approvals. The act emphasized accountability, outcomes-based performance, and results-based IT management. It promoted the improved performance of the civilian agency acquisition workforce, and it allowed contracting officers to select competitive contractors more efficiently. In addition, Clinger-Cohen required federal agencies to use a disciplined capital planning and investment control (CPIC) process to acquire, use, maintain, and dispose of information technology. The use of commercial-off-the-shelf (COTS) products was to be maximized.

The Clinger-Cohen Act rescinded the *Brooks Act* (P.L. 92-582), also known as Qualifications Based Selection (QBS), which was enacted on October 18, 1972. This 1972 act had established the procurement process by which architects and engineers (AEs) were selected for design contracts with federal design and construction agencies. The Brooks Act had also established a qualifications-based selection process, in which contracts for AEs were negotiated on the basis of demonstrated competence and qualification for the type of professional services required at a fair and reasonable price.

Federal Acquisition Reform Act (FARA) of 1996 (Division D of P.L. 104-106; 40 U.S.C. 1401; signed into law on February 10, 1996): This act enables the federal procurement system to emulate many of the most successful buying practices used in the commercial marketplace. Focused on

reforming how the federal government makes larger dollar purchases and acquires IT, FARA increased the discretion of federal contracting officers in making competitive range determinations and lowered the approval levels for justification and approvals resulting in efficient competition. FARA also permitted the use of SAP in the acquisition of commercial items up to \$5 million.

Information Technology Management Reform Act (ITMRA) (Division E of P.L. 104-106, signed into law on February 10, 1996): This act enables the federal procurement system to emulate many of the most successful buying practices used in the commercial marketplace. It is focused on reforming how the federal government makes larger dollar purchases and acquires IT. Establishes the role, duties, and qualifications of the CIO within federal agencies.

Federal Activities Inventory Reform Act (FAIR) of 1998: This is legislation that requires agencies to identify functions that could be performed by the private sector [17].

Government Information Security Reform Act (GISRA) of 2000: This act brought together existing IT security requirements from the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996. GISRA also codified existing OMB IT security policies found in OMB Circular A-130 and IT security budget guidance in OMB Circular A-11, "Preparation, Submission, and Execution of the Budget." Specifically, GISRA directed agency CIOs to conduct annual IT security reviews of their systems and programs. Review results are to be reported to OMB. After GISRA expired in November 2002, the *Federal Information Security Management Act* (FISMA) was signed into law as Title III by President George W. Bush as part of the Electronic Government Act of 2002. FISMA permanently reauthorized the framework established by GISRA.

President's Management Agenda (PMA) (launched in August 2001): President George W. Bush's vision for government reform is guided by three important principles: (1) citizen centered, (2) results oriented, and (3) market based. In the PMA, Mr. Bush identified five governmentwide initiatives and nine program initiatives. Governmentwide initiatives include Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government, and Budget and Performance Integration. The PMA was launched as a strategy for improving the management and the performance of the U.S. federal government. Importantly, federal agencies have been held publicly accountable for adopting the disciplined approaches of the PMA through a governmentwide colorimetric scorecard system (GREEN—YELLOW—RED). GREEN indicates that a given agency has met all of the established

standards of success under the PMA, or that the agency's implementation is proceeding according to plan.

Federal Enterprise Architecture (FEA): To facilitate efforts to transform the federal government into one that is citizen centered, results oriented, and market based, the OMB is developing the Federal Enterprise Architecture (FEA), a business-driven and performance-based framework to support cross-agency collaboration, transformation, and governmentwide improvement. Begun on February 6, 2002, the FEA is being constructed through a collection of interrelated "reference models" designed to facilitate cross-agency analysis and the identification of duplicative investments, gaps, and opportunities for collaboration within and across federal agencies. FEA provides OMB and other federal agencies with a new way of describing, analyzing, and improving the federal government and its ability to serve the American citizen. The outcome of this effort will be a more citizen-centered, customer-focused government that maximizes technology investments to better achieve mission outcomes.

Electronic Government (E-Government) Act of 2002 (P.L. 107-347, 44 U.S.C. Ch. 36; signed into law December 17, 2002): This act, which advocates a more citizen-focused approach to current governmentwide IT policies and programs, was designed in part to institutionalize the PMA. This law requires federal agencies to develop performance measures for implementing e-government. This act also requires agencies to conduct governmentwide e-government initiatives and to leverage cross-agency opportunities to leverage e-government. The federal CIO Council, originally established in 1996 by Executive Order 13011, was codified under the E-Government Act. This Council is comprised of the CIOs of 29 federal agencies as well as representatives from OMB. Its charter is to implement elements of GPRA, FISMA, and ITMRA. The federal CIO Council is the principal interagency forum to assist CIOs in meeting the goals of the PMA.

In addition, the E-Government Act established an Office of Electronic Government within the Office of Management and Budget to improve federal management of information resources.

OMB Circular No. A-11: The Office of Management and Budget uses the information reported in Circular A-11, Exhibits 53 and 300, to assist with budget decisions. Federal agencies must map their IT investments to the FEA reference models to help OMB and other federal organizations identify potential opportunities to collaborate and eliminate redundant spending.

OMB Circular A-76 (revised May 29, 2003): Circular A-76 is a set of policies and procedures to help determine whether public or private sources will undertake the federal government's commercial activities and services, ranging from software consulting and research and lab work to

facilities management. The roots of Circular A-76 can be traced from the former Bureau of the Budget's Bulletin 55-4 (issued January 15, 1955), which stated that the federal government would "not start or carry on any commercial activity" that the private sector could do. Revisions have been made periodically ever since. A-76 is a federal government management tool. The A-76 competition provides an opportunity for government managers to streamline organization, implement best business practices, increase productivity, enhance quality, increase efficiency of operations, lower operational costs, and adjust IT initiatives to new regulatory drivers such as the PMA. The A-76 study process focuses on:

- Government/customer requirements;
- Organizational structure;
- Work processes;
- Defined outcomes;
- Competition.

Historically, the government wins 50% to 84% of competitions. But regardless of who wins, 30% to more than 40% savings are achieved.

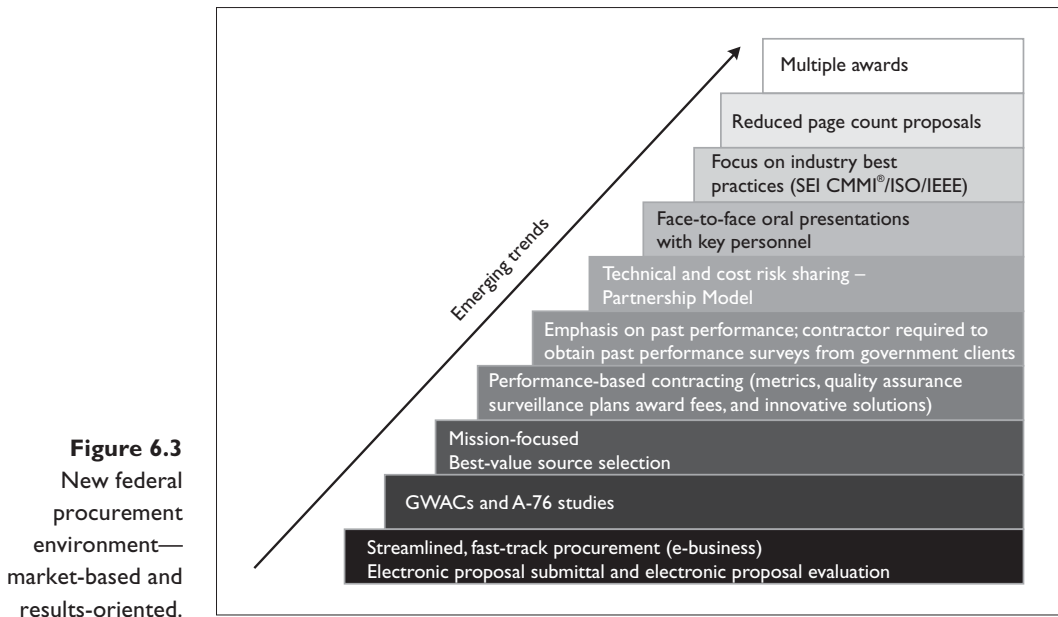
Services Acquisition Reform Act (SARA) of 2003 (P.L. 108-136; Title 14 of the FY2004 National Defense Authorization Act): This legislation provides additional incentive for use of performance-based contracting for services.

The federal government spent \$2.1 trillion in FY2003. Managing and modifying the complex set of processes by which the government procures goods and services has proven to be daunting, but progress is definitely underway.

6.7 Understanding the Federal Acquisition Streamlining Act (FASA)

The trend in federal acquisition is toward electronic commerce, purchase of commercial products, and streamlining the procedural framework.

As illustrated in Figure 6.3, the federal procurement landscape is very dynamic and vectored in part toward faster, better, cheaper (FBC).³ Emerging trends span fast-track e-business procurement, electronic proposal submittal and evaluation, best-value source selection, and



performance-based acquisition with associated technical, schedule, and cost control metrics, as well as award fees. In addition, federal procurement since 1999 has followed much more of a partnership model wherein the government expects contracting firms to not only mitigate but share both technical and cost risks. Important resources for information about e-government, electronic commerce, and federal acquisition reform are presented in Table 6.1.

The focus now is on innovative solutions, presented in proposal documents and oral presentations in concise form, that infuse industry best practices, such as the Software Engineering Institute (SEI) Capability

- 3 In 1992, then NASA Administrator Daniel S. Goldin challenged all of NASA, including the aerospace industry and academia, to use an FBC approach to project management. By initiating FBC project management, NASA intended to maximize the overall amount of scientific results obtained on a mission while minimizing the impact of a failed spacecraft. From 1996 to 2000, there were 6 mission failures out of 25 total missions flown, which, according to a March 13, 2001, audit report issued by the NASA Office of Inspector General (IG-01-009) “were clearly associated with exploring the boundaries stimulated by FBC.” A Department of Defense review of five rocket failures between August 1998 and May 1999 found that government contractors were trying to do too much with too little resources and needed more training for mission-critical technical staff. Today, there seems to be two distinct management philosophies within NASA and the aerospace industry. One philosophy adheres to the value of faster, better, cheaper, if organized and configured properly. Proponents of the FBC approach point to Microsoft, which, during the past 20 years, has shortened schedules, cut costs, and enhanced performance. Conversely, the other philosophy says faster, better, cheaper—pick any two. Cheaper spacecraft are equated with lower performance, according to this approach.

<p>FirstGov</p>
<p>http://www.firstgov.gov Official portal that offers easy and comprehensive access to all online U.S. government resources. FirstGov is an interagency initiative administered by the U.S. General Services Administration.</p>
<p>U.S. Small Business Administration (SBA)</p>
<p>http://www.sba.gov</p>
<p>Central Contractor Registration (CCR)</p>
<p>http://www.ccr.gov</p>
<p>Federal Business Opportunities (FedBizOpps)</p>
<p>http://www.fedbizopps.gov Formerly the Electronic Posting System (EPS), FedBizOpps is the single government point of entry for federal government procurement opportunities that exceed \$25,000. Federal agencies had until October 1, 2001, to complete their transition to, or integration with, FedBizOpps. As of October 1, 2001, all agencies are now required to use FedBizOpps to provide the public access to notice of procurement actions over \$25,000.</p>
<p>E-Government Web Site</p>
<p>http://www.whitehouse.gov/omb/egov Official Web site of President Bush's e-government initiatives</p>
<p>Army Single Face to Industry (ASFI)</p>
<p>https://acquisition.army.mil/asfi Portal to U.S. Army business opportunities. Includes an acquisition tool set and procurement notification mechanism.</p>
<p>Minority Business Development Agency (MBDA)</p>
<p>http://www.mbda.gov The Minority Business Development Agency (MBDA) is part of the U.S. Department</p>

Table 6.1
 EC, e-Gov, eB,
 and Acquisition
 Reform Resources

<p>of Commerce. MBDA is the only federal agency created specifically to foster the creation, growth and expansion of minority-owned businesses in America. Headquartered in Washington, D.C., with regional offices in Atlanta, Chicago, Dallas, New York, and San Francisco, MBDA provides assistance to socially or economically disadvantaged individuals who own or wish to start a business. Such persons include: Asian-Pacific Americans, Asian Indians, black Americans, Eskimos/Aleuts, Hasidic Jews, Native Americans, Spanish-speaking Americans, and Puerto Ricans. In addition, MBDA provides funding for Minority Business Development Centers (MBDC), Native American Business Development Centers (NABDC), Business Resource Centers (BRC), and Minority Business Opportunity Committees (MBOC) located throughout the United States.</p>
<p>DoD EMALL</p>
<p>http://www.emall.dla.mil The DoD EMALL is the single entry point for DoD and other federal customers to find and acquire off-the-shelf, finished good items from commercial marketplace. The DoD EMALL offers cross-store shopping for the purpose of comparison pricing and best-value decision making. All vendors meet FAR and DFAR requirements and statutory requirements. The DoD EMALL is primarily composed of three corridors: parts and supplies, information technology, and training. It also provides a one-stop visibility of order status.</p>
<p>Defense, Procurement, and Acquisition Policy (DPAP) Electronic Business</p>
<p>http://www.acq.osd.mil/dpap/ebiz</p>
<p>Federal Acquisition Institute (FAI)</p>
<p>http://www.fai.gov Publishes the Federal Acquisition <i>Insight</i> newsletter online.</p>
<p>Procurement Technical Assistance Centers (PTACs)</p>
<p>http://www.dla.mil/db/procurem.htm The Defense Logistics Agency, on behalf of the Secretary of Defense, administers the DoD Procurement Technical Assistance Program. PTACs are a local resource that can provide assistance to businesses in marketing products and services to federal, state, and local governments.</p>

Table 6.1
(Continued)

<p>WomenBiz.gov</p>
<p>http://www.womenbiz.gov Portal for women-owned businesses selling to the government. Established by the Interagency Committee on Women’s Business Enterprises (IACWBE).</p>
<p>Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program Information</p>
<p>Department of Energy (DOE): http://sbir.er.doe.gov/sbir/ Department of Defense (DoD): http://www.acq.osd.mil/sadbu/sbir/ Navy: http://www.navysbir.com/ Air Force Research Laboratory (AFRL): http://www.afrl.af.mil/sbir/ NASA GSFC: http://sbir.gsfc.nasa.gov/SBIR/SBIR.html National Science Foundation (NSF): http://www.eng.nsf.gov/sbir/ Defense Advanced Research Projects Agency (DARPA): http://www.darpa.mil/sbir/ U.S. Small Business Administration: http://www.sba.gov/sbir/</p>
<p>FedWorld Information Network</p>
<p>http://www.fedworld.gov Established in 1992 by the Department of Commerce to serve as an online locator service for a comprehensive inventory of information disseminated by the federal government. The site is now managed by the National Technical Information Service (NTIS).</p>
<p>Navy Electronic Commerce Online (NECO)</p>
<p>http://www.neco.navy.mil This interactive Web site provides direct, online access to Navy business opportunities.</p>
<p>Federal Marketplace Procurement Data Warehouse (Wood River Technologies, Inc., Ketchum, Idaho)</p>
<p>http://www.fedmarket.com Site includes federal bid opportunities, federal procurement forecasts, and SBIR program information. Importantly, the site’s Vendor Center provides a significant number of helpful, easily understood, brief articles on business development, preproposal activities, proposal management, proposal development, and proposal writing.</p>

Table 6.1
(Continued)

<p>NASA Acquisition Internet Service (NAIS)</p>
<p>http://prod.nais.nasa.gov/cgi-bin/nais/welcome.cgi The NASA Acquisition Internet Service (NAIS) provides easy access to procurement forecasts across the NASA centers. NAIS business opportunities are posted by date and classification. One can also use the NAIS "Search" function to find business opportunities by date, classification, NASA center, or keyword. NASA's Procurement Reference Library provides tools such as a search of the FARs and the NASA FAR Supplement (NFS).</p>
<p>Assistant Secretary of the Air Force/Acquisition (SAF/AQ)</p>
<p>http://www.safaq.hq.af.mil Provides information on Air Force-specific acquisition reform initiatives and success stories.</p>
<p>Department of Transportation (DOT) Office of Small and Disadvantaged Business Utilization (OSDBU)</p>
<p>http://osdbuweb.dot.gov Includes the agency procurement forecast as well as tips for marketing to the DOT.</p>
<p>Netlizard (maintained by Panamax, St. Petersburg, Florida)</p>
<p>http://www.netlizard.com/acqpol.html Provides listings of federal opportunities, federal regulations and procedures [e.g., Federal Acquisition Regulations (FAR), agency-specific FAR supplements, and Federal Acquisition Circulars (FAC)], statutes governing federal contracting and acquisitions, court and other decisions affecting federal acquisitions and procurements, selected state opportunities, and selected international opportunities.</p>
<p>Acquisition Reform Network (ARNet)</p>
<p>http://www.arnet.gov Run by the Office of Federal Procurement Policy (OFPP), the Acquisition Reform Network was created to foster and propagate measurable breakthrough improvements in the way government obtains goods and services. Specific elements on the site include e-government initiatives, FAR, agency home pages, competitive sourcing, agency procurement forecasts, and contract administration links.</p>

Table 6.1
(Continued)

<p>Governmentwide Acquisition Contracts</p>
<p>http://contractsdirectory.gov/ The contracts available on this site are for various types of governmentwide contract vehicles [e.g., governmentwide agency contracts (GWACs), multiagency contracts (MACs), blanket purchase agreements (BPAs), and schedules].</p>
<p>National Women Business Owners Corporation (NWBOC; formerly the Women Business Owners Corporation), Washington, D.C.</p>
<p>Federal Acquisition Reform: http://www.nwboc.org/pfar.html State and Local Government: http://www.nwboc.org/stategov.html The National Women Business Owners Corporation, a national 501(c)(3) nonprofit corporation, was established to expand competition for corporate and government contracts through implementation of a pioneering economic development strategy for women business owners. NWBOC seeks to provide more corporations with the opportunity to enhance their procurement practices and to provide to women suppliers the opportunity to compete.</p>
<p>Government Executive Magazine's Procurement Links</p>
<p>http://www.govexec.com/procurement GovExec.com is a government business news daily. This site has a specific focus on e-government, A-76 and outsourcing, Homeland Security, and defense.</p>
<p>Service Corps of Retired Executives (SCORE)</p>
<p>http://www.score.org Founded in 1964, SCORE is a nonprofit association of 10,500 volunteer business counselors serving 389 chapters in urban, suburban, and rural communities throughout the United States and Puerto Rico. SCORE is a resource partner with the U.S. SBA. SCORE members are trained to serve as counselors, advisers, and mentors to aspiring entrepreneurs and business owners. These services are offered at no fee, as a community service.</p>
<p>Federal Register</p>
<p>http://www.gpoaccess.gov/fr/index.html Published by the Office of the Federal Register, National Archives and Records Administration (NARA), the <i>Federal Register</i> is the official daily publication for rules, proposed rules, and notices of federal agencies and organizations, as well as executive orders and other presidential documents.</p>

Table 6.1
(Continued)

Maturity Model Integration® (CMMI®) structured software engineering methodologies, ISO 9001:2000 and 9002:2000 standards, Institute of Electrical and Electronics Engineers (IEEE), and IT Infrastructure (ITIL) disciplined approaches. ITIL provides the foundation for quality IT service management. This series of documents was developed originally by the British government.

Many procurements require face-to-face oral presentations between your proposed program staff and government technical, programmatic, and contractual leadership. Multiple, rather than single, awards are very common. And GWAC vehicles have become critical contractual gateways to priming contracts with a variety of federal agencies.

Centralized contractor registration is required to inform the government that your company is ready to do business with the government. Register your small business with the new CCR/PRO-Net portal (<http://www.ccr.gov>) right away. As of January 1, 2004, the U.S. Small Business Administration's PRO-Net database had been combined with the DoD's Central Contractor Registration (CCR) database. *The result?* One Web portal for vendor registration and for searching small business sources—and an integrated, more efficient mechanism for small businesses to market their products and services to the federal government. All of the search options and company information that existed in PRO-Net are now found at the CCR's "Dynamic Small Business Search" site. The new CCR/PRO-Net portal is part of the Integrated Acquisition Environment (IAE), one of the important e-government initiatives under the President's Management Agenda (<http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf>).

It was Federal Acquisition Circular (FAC) 2001-16, dated October 1, 2003, that amended the Federal Acquisition Regulations (FARs) to require contractor registration in the CCR database. This same circular also eliminated the Federal Acquisition Computer Network (FACNET) and designated a single governmentwide point of entry on the Internet called FedBizOpps (<http://www.fedbizopps.gov>) where federal agencies are to provide universal and convenient access to information about their procurement opportunities. In addition, FedBizOpps replaced both the paper and electronic *Commerce Business Daily*.

Now that we have an understanding of RFPs and how they originate in the federal acquisition process, we will examine the contracting community's proposal response life cycle and its critical components.

ENDNOTES

1. *Writing Winning Proposals*, Farmington, UT: Shipley Associates, 1988, p. 3-3. The phenomenon of increased competition is also noted by Cibinic, John, and Ralph C. Nash, *Formation of Government Contracts*, 2nd ed., Washington, D.C.: George Washington University, 1986, p. 522.
2. The National Archives has published the CFR annually since 1938. This compilation of executive orders, proclamations, and rules and regulations for departments and agencies does for administrative law what the U.S.C. does for statute law. Material for the CFR is drawn from the calendar year entries in the *Federal Register*, a daily publication of Executive Branch documents and notices of public applicability and legal effect. [*History at NASA* (NASA HHR-50), Washington, D.C.: NASA Headquarters, 1986, p. 11.]
3. Per FAR 2.101, *supplies* means all property except land or interest in land.
4. Per FAR 37.101, *services contract* means a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.
5. The Comptroller General of the United States and the General Accounting Office (GAO) that he heads “have been given a prominent role in the oversight of Government procurement and procurement related functions” (Cibinic, John, and Ralph C. Nash, *Formation of Government Contracts*, 2nd ed., Washington, D.C.: George Washington University, 1986, p. 53).
6. *Introduction to the Federal Acquisition Regulation Training Course*, Vienna, VA: Management Concepts, pp. 1-3.
7. *Writing Winning Proposals*, Farmington, UT: Shipley Associates, 1988, pp. 3-11.
8. Standards assist the government evaluators in determining how well a proposal meets the requirements. Several standards might be developed for one evaluation factor. Depending upon the evaluation factor, standards may be qualitative or quantitative. Standards are necessary because evaluators are not supposed to compare proposals. They must, therefore, have some standard against which to determine

- if a proposal satisfies the RFP. See *Writing Winning Proposals*, Farmington, UT: Shipley Associates, 1988, pp. 3–23.
9. Cibinic, John, and Ralph C. Nash, *Formation of Government Contracts*, 2nd ed., Washington, D.C.: George Washington University, 1986, pp. 644–645.
 10. McVay, Barry L., *Proposals That Win Federal Contracts: How to Plan, Price, Write, and Negotiate to Get Your Fair Share of Government Business*, Woodbridge, VA: Panoptic Enterprises, 1989, p. 11.
 11. Cibinic, John, and Ralph C. Nash, *Formation of Government Contracts*, 2nd ed., Washington, D.C.: George Washington University, p. 311.
 12. Holtz, Herman, and Terry Schmidt, *The Winning Proposal: How to Write It*, New York: McGraw-Hill, 1981.
 13. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, p. 6. Testimony before the Subcommittee on Government Management, Information, and Technology, House Committee on Government Reform, GAO/T-OCG-00-7.
 14. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, p. 4.
 15. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, p. 8.
 16. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, pp. 6–7.
 17. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, p. 7.
 18. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, p. 9.

19. Brockmeier, Dave, "Help Shape Federal Acquisition Regulations," *Business Credit*, Vol. 97, No. 3, March 1995, p. 40.
20. Brockmeier, Dave, "Help Shape Federal Acquisition Regulations," *Business Credit*, Vol. 97, No. 3, March 1995, p. 42.
21. Hinton, Henry L., *Federal Acquisition: Trends, Reforms, and Challenges*, Washington, D.C.: United States General Accounting Office (GAO), March 16, 2000, p. 18.