

Source Selection in a Streamlined Acquisition Environment

The Means for Sound Source Selection Has Always Been In Our Grasp — *Creativity*

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Since the advent of “Acquisition Streamlining,” many good ideas have found their way into print, most of which purport to be the one best way to do streamlined acquisition. Unfortunately, many of these approaches miss the mark since streamlining is not a single method of doing business, but is instead a loose set of guidelines to be interpreted and applied with common sense and integrity.

Nowhere is this more apparent than when applying a streamlined approach to source selection. Previous source selection backbones (statement of work, government specifications and standards, etc.) take on entirely new meanings or even completely disappear during a streamlined source selection. When properly used, a streamlined source selection can provide significant benefits in acquiring technologically superior systems in the least possible time.

This article discusses some of the lessons learned from a recent streamlined source selection and furnishes some hints to program managers conducting source selections.

What Makes Sense?

With the emphasis on streamlining, a program manager faces a wide latitude of possibilities for source selection. It

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really comes down to “What makes sense?” Over the years the abundance of rules and regulations governing the source selection process trained program managers to be somewhat unimaginative or even hidebound in their approach to source selection.

Because of the tremendous volume of work, the “template” method of source selection is still the easiest path to take — what has worked in the past will *certainly* work in the future. However, in the new acquisition environment this template idea will no longer yield the best solution.

With the cutting of the acquisition workforce, the implementation of integrated product teams, and renewed emphasis on customer satisfaction, source selections must be leaner, faster, and offer the best opportunity to get the maximum from the contractor for the best value. This requires a fundamental shift in paradigm, a turn away from business as usual, and an expansion of the role of the program manager in the source selection process.

These actions require no new laws or regulations; the Source Selection Information Guide¹ governs source selection and provides more than enough latitude to streamline source selections using almost any formula desired. What is required has always been in our grasp — creativity. Our job then, is just a case of taking advantage of it.

While it is impossible to cover all the lessons learned here, we present a few ideas to help program managers get a “feel” for the new way of doing business and, in turn, get the most from the source selection process. As with a source selection, this presentation of ideas begins with the writing of the Request for Proposal.

Writing the Request for Proposal

The tone a team sets in a source selection will determine the quality of the product received. When team members approach a source selection professionally and con-

fidently, everyone involved — contractor and government — tends to perform at a higher level. The Request for Proposal (RFP) and the environment it is written around set the tone for the entire source selection process. Also part of the RFP environment are the demands the RFP makes on the contractors, how the program office handles and safeguards proposals, and the technical library and the pre-proposal conferences.

The SOW and Section L

A good place to start this discussion is with the writing of the statement of work (SOW). This can be summed up in one word: *Don't!* The traditional SOW explains how a product will be designed to the lowest detail. This places the defense contractor in the position of being solely a “gun for hire.” It makes more sense to let contractors decide how *they* will do the job. Perhaps someone in their organizations has an idea never before seen. The best way to get that idea is to dispose of the SOW and replace it with a statement of objectives (SOO).

Although so much has been written about the SOO any further explanation is beginning to sound trite, true understanding requires a fundamental change in method. For example, instead of writing the objectives for “an airlifter that can fly 8,000 miles un-refueled, carry out-sized and oversized cargo, and land on a soft field (specifications of soft to be provided in detail),” step back once and write the objective to “deliver outsize and oversize cargo to Konya Airfield, Turkey (a soft field) within 25 hours.” Finally, give the offerors the budget breakdown by year and color.

That information, with two or three key requirements, will constitute the *entire* SOO! Don't be tempted to “hide” a SOW in section L or M (as has been done in some notable “streamlined” programs). However, provide instructions in Section L that clearly define what must be included in the SOW (e.g., performance, management, reliability, maintainability, producibility, logistics, safety, HAZMAT, etc.) so the contractor will know how to write it. This method is sure to generate spectacular and previously unimaginable ideas.

One unexpected profit from writing the SOO this way is the shortened length of the RFP, since this one tactic may cut its size significantly. The RFP has to be tailored to the type of source selection and will differ considerably between program phases, but using a *true* one-page SOO will considerably decrease the workload. In turn, this shortens the time it takes to write the RFP and the time it takes the contractor to respond.

Part of that contractor response will be to write the SOW. Another hint is to have the contractor provide this SOW electronically for the cleanup that will need to be done. Other than that, don't provide any direction. Responses will more than likely include a high-quality SOW that covers the task.

Not providing direction means also not demanding the use of *any* specifications or standards. If contractors think any specifications or standards are necessary, they can include them in their proposals. If a proposal doesn't provide a specification/standard (commercial or government) to accomplish a critical task and the evaluation team believes it should, that proposal can either be clarified or discarded.

Section M

Color rating and risk assessment used for the evaluation must be specifically spelled out even if both contractor and government teams insist they understand these longstanding definitions. When actually faced with either writing or evaluating a proposal, most people carry preconceived baggage into the process of what constitutes a color or risk assessment, and ignore the definitions contained in regulations. This tendency is so strong that even when teams finally do understand the formal definitions, they sometimes still refuse to propose/evaluate correctly, thinking there is latitude to diverge from these definitions.

The correct meanings of the color ratings, the proposal risk, and the performance risk should be included in Section M of the RFP. While this will make it clear to the contractors, the definitions should also be briefed to the

evaluation team, with emphasis placed on the fact that the evaluators *must* use the Section M definitions and not their own. These steps should mitigate the problem, but constant vigilance is needed by both the team chairman and evaluators to actually solve it.

Responses to an RFP could provide a wide variety of options to the government, particularly with the streamlined process of using a SOO and asking for only a few key requirements, with the majority remaining in “trade space.” Section M evaluation criteria, the areas to be evaluated, and the weighting of these areas must be consistent with this new way of doing business.

The “one hat fits all” mentality will not provide the government with the type of acquisition process it desires. For instance, past performance should be weighted according to the goals of the program. If the program is striving to push technological barriers and the evaluation team evaluates past performance, technical, and management categories, it would make sense that the past performance category probably should not constitute 33 percent of the rating.

Instead, the technical category will probably account for the most weight. In another situation where technology is not the driving factor, past performance probably shouldn't be just 33 percent, but could range as high as 50 percent or more (similar statements can be made about cost and management). Evaluation teams need to set up criteria and weightings according to what makes sense, not to a preordained rule.

Libraries

The source selection library is the backbone of the source selection. The job of recorder is one of the most important and requires an extremely organized, disciplined individual who can be assertive in the duties of safeguarding all source selection sensitive information.

A good recorder can also be instrumental in stopping problems with post-source selection protests. Because of the importance of this job, the recorder needs

the full cooperation of the source selection team and support of the source selection team chairman. Choose the recorder well in advance of the beginning of the source selection and designate to the recorder responsibility for the entire source selection library; specifically, when bidders have access (technical or bidder's library) and after source selection begins (evaluator's library).

The recorder needs time to develop tracking mechanisms for positive control of library materials, to establish storage space, plan security checks, and complete a host of other details specific to the physical layout of the source selection area. Although using a central source selection building/area will ease the recorder workload in these areas, all of these procedures need to be in place *before* evaluations begin.

Technical library procedures must be in place well before the RFP is released, especially when classified material is included. This is true whether the library materials and proposals are in paper or electronic format.

Organizing a technical library requires preparation and planning:

- An automated inventory database to identify and track all technical data is very helpful.
- Once the recorder obtains documents for the technical library, each should carry its own distribution statement. Secondary distribution may be prohibited.
- Duplicating arrangements should be made in advance for over-sized drawings.
- Library inventory and visitation procedures should be clear and readily available.

All documents anticipated for inclusion in the technical library should be in place before release of the RFP, and the procedures for access to the library by the potential offerors should be established and published well in advance. The

payoff for this up-front work comes with better communication with offerors and the degree of “with-it-ness” contractors feel the program office has. The result is a much better, faster, and more profitable source selection for contractors as well as the government.

The importance of the recorder responsibilities during a source selection are rarely appreciated until the evaluation starts. It is only then the team comprehends the demanding details of storing, distributing, and tracking the huge volume of source selection sensitive information. A firm understanding by all members of the team of the operation of the source selection library and procedures is very important.

Additionally, the library must be manned at all times during the evaluation period. This volume of effort and activity requires the responsibility to be shared with at least one additional (preferably two) persons. Evaluator schedules generally dictate library hours; therefore, extending access to data in the library beyond normal business hours is usually necessary.

Before source selection begins, identify documentation requiring control numbers. Control and maintain original documentation in the library, and control photocopies and electronic copies provided to the team as working papers/data.

Other Hints

Most Service source selection regulations permit the cost volume of a proposal to be available to the entire source selection team. However, debriefed offerors have stated that it gives them a “level of comfort” to know the technical and management evaluations occur without visibility into the cost.

Lessons learned reports indicate technical and management teams also prefer *not* to see the cost volume of a proposal until the final briefing to the Source Selection Authority. Many evaluators new to the source selection process wish they had access to the cost volume. Only in hindsight do they r

ealize it was best to conduct the evaluation without that information.

Hold the proposal length to just what is required to present contractor plans. Generally, asking contractors what they think that length should be is a good idea. Less than 100 pages is not an unreasonable number. Shorter proposals demand clarity and can even drive better solutions.

When ordering proposals, ensure you ask the contractor to deliver enough copies to allow one complete proposal to stay with contracting and enough copies for the evaluation team to efficiently do their job.

Building Effective Source Selection Teams

The evaluation team is the key to an efficient source selection. Well-thought-out teams result in well-thought-out and more effective selections and superior products to the warfighter. Getting the right number and type of people in place is the objective: Streamlining evaluation factors, training team members correctly, and knowing what resources to pull-in from outside and how best to use those resources is the approach to reach that objective.

Streamlining Evaluation Factors

Due to increasingly limited government manpower on evaluation teams, it may sometimes be prudent to limit the number of source selection factors to coincide with the number of government persons available as factor “captains.” The rule for effective source selection teams is that smaller is better. Source selection factors must be carefully selected to balance the competing demands of *available personnel and sufficient resolution* (or discrimination) of proposals.

When writing the source selection factors, the team should simultaneously identify a candidate captain. This will help restrain the number of factors being written, provide early identification of personnel requirements, and furnish a preliminary source selection organization structure. The entire team should develop evaluation factors to ensure

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agreement and a minimum number of true discriminators.

Timely source selections have simple, unambiguous factors/criteria/standards that are *open yet precise* and address only those areas of the proposals that are essential to the success of the program. The best idea is to hold evaluation team meetings to review the acquisition documentation during the draft stage, with special emphasis on the SOO requirements. Use inputs from all specialty area personnel to narrow the factors down to only those that are program discriminators.

Training

That the evaluation team needs training prior to beginning a source selection is generally accepted, common knowledge; but the methods and amount of training differ from one source selection team

to the next. One possible method to train the evaluation team is to organize a “test-run” evaluation of an artificial proposal for one of the actual factors (but not run on an actual proposal). This enables the team to study how the write-ups roll up from the evaluator level to the area chief level, and to set some “standards” as to what is expected from each level.

The training need not be extensive, but should cover at least one factor and all levels of evaluation, including individual evaluators, factor captains, and area chiefs to ensure the entire team begins the evaluation on the same foundation.

Using Outside Resources

One other personnel difficulty that might present itself during source selection is the use of outside help as factor captains. This can be especially troublesome if this evaluator travels from outside the immediate area for the evaluation.

Due to limited manpower or the need for specific expertise, persons outside the program office, and frequently from another base, are often assigned to a source selection team. Team members from off-base often attempt to continue performing their previous jobs, either by telephone or by returning to their offices periodically throughout the source selection period. This division of their time and attention is extremely disruptive of the source selection process since they are sometimes not available for unexpected questions/discussions concerning the source selection evaluations.

This is especially disturbing when an area/factor captain travels off-base to return to their office. The source selection evaluation team chairman must carefully explain to each individual *and* their supervisor that the assignment to a source selection team takes precedence over *all* other responsibilities, and that anything less than total dedication to the evaluation precludes assignment to the team. Don't accept anything less than a total commitment – and enforce the rules!

Another problem can occur when these “outside” people do not understand or fully embrace the goals and mission of

the organization conducting the source selection. Their different perspective can lead to time-wasting conflicts in interpretation and application of the source selection standards and, in turn, to inconsistencies between the evaluator write-ups and subfactor/factor summaries. The team chairman should interview prospective members to ensure they are suitable and not accept members who cannot embrace the vision of the source selection organization.

Two other categories of outside help, government and non-government expert advisors, should be considered for source selection. To make the most effective use of these tactics in both cases, the team should decide to use these resources long before the evaluation begins.

Government expert advisors can be called in to advise the Source Selection Authority. This type of help should always be considered since it can be a tremendous help in decision making, assist with informed or technically advanced opinions, and do so without the need to encumber these individuals for the entire length of the source selection.

The result is a better source selection and more buy-in from the stakeholders, especially when one of these expert advisors is the user. Since these experts are not technically part of the source selection team, however, regular team members shouldn't be allowed access to these evaluations until the Source Selection Authority makes a choice of contractors. The source selection evaluation board can see the expert evaluations, but the results should be kept confidential from the remainder of the team to avoid any appearance of influence.

Two factors contribute to the necessity of using non-government advisors in a source selection.

- First, the use of a SOO almost demands this. If a program is technically complicated, the wide variety of responses possible makes it improbable, if not impossible, that any government evaluation team

possesses the organic expertise to cover all possible technical solutions.

- The second factor, downsizing of program offices, could make the use of non-government advisors nearly essential, especially for small program offices without the "clout" to pull in government personnel from elsewhere.

While there is no argument that when it comes to evaluation teams, smaller is better, these experts may be essential for providing timely and comprehensive evaluation recommendations to the government factor captains. Without them, government-only source selection teams may not be able to conduct proposal evaluations in a reasonable period of time.

If a team decides to use non-government advisors, they should be very cautious about conflict-of-interest problems and whether or not a waiver is required. If a waiver is needed, this process should be started early.

Other Hints for Shorter Source Selections

Some of the major causes of lengthy source selections are misunderstandings between what the government asks for in an RFP and what offerors believe they have been asked for. Two of the best methods for solving this problem are "preproposal conferences" and "offeror training."

Preproposal Conference. Schedule a preproposal conference or workshop with potential offerors one to two weeks after release of the RFP (depending on the amount of time the offerors have to prepare their proposals). This allows offerors as well as the government an opportunity to go over the RFP and clear up any questions.

Such conferences or workshops can be scheduled with all potential offerors at one time or in individual one-on-one sessions. However, limit their scope to the RFP only, not specific proposal details. Ultimately, these forums and the resultant

conversations could generate amendments to the RFP and may even help eliminate discrepancies in the offerors' proposals that could prevent award without discussions.

Offeror Training. Just as the government reaps benefits from training the evaluation team on how to evaluate proposals, equally important is training the offeror to write proposals that are easier to evaluate. The government intent to award without discussion is becoming common, and if done correctly, can trim millions of dollars and thousands of man-hours from source selection for contractors as well as the government.

Many things can hinder an award without discussion. If the program office intends to award this way, it benefits the government as well as offerors to provide all potential offerors with a list of insidious errors that will cause their proposals to be unawardable.

Small common mistakes, like failure to address minor technical and management requirements in a contractual portion of the proposal and apparent numerical errors in the cost volume, can bring a proposal evaluation to a sudden stop. The program office, however, can mitigate this problem by allocating time during Industry Day or a preproposal conference to alert potential offerors about these common mistakes, in effect, training the offerors.

Allowing the contractors freedom in responding to an RFP can pay great dividends. Contractors can propose concepts that the government never considered to solve previously unsolvable warfighter deficiencies. However, delineation between the advantages and disadvantages of different concepts can be lost after the government releases clarification and deficiency requests (CRs and DRs).

The opening of discussions allows bad proposals to become better, but generally does not reward or improve good proposals. Each contractor is initially given the same opportunity to respond to the RFP, and consideration should be

given to eliminating poor proposals from competition. The CR/DR process costs the government *and the contractor* time and money. Another facet of this argument is the question of how the government can hope a contractor will be successful with the requirement to build a complex piece of equipment if they fail to meet the very first requirement of a comprehensive and effective proposal.

All proposals have errors that need to be corrected but which do not fall within the scope of the source selection standards, such as errors categorized as failing to meet terms and conditions (company names in SOWs, improper footers, etc.). If CRs and DRs are to be sent out for these kinds of problems, consideration should be given to withholding technical CRs and DRs to avoid a leveling of proposals. These errors need to be corrected in a contractually acceptable method while avoiding any delay in the source selection process.

To do this, the program office should decide how errors of format or content not addressed by actual criteria are to be handled *before* proposal receipt. One acceptable method that allows administrative errors to be corrected without technical leveling is to accumulate the errors into an administrative contract modification after contract award.

The use of a subset of the evaluation team, for instance only the chairman and area chiefs, to review proposed CRs and DRs, can be extremely helpful to correctly categorize and minimize the number of valid requests. This small team has the potential to considerably decrease the number of CRs and DRs sent to offerors, with the eventual payoff of significantly reducing the length of source selection. However, the process and procedures for this review must be developed before source selection begins, not refined as CRs and DRs are generated.

Source selection can also be speeded up by allowing the offeror to submit plans such as the Hazardous Material Management Plan, Facility Plan, Security Plan,

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or Configuration and Data Management Plan two to four weeks prior to formal proposal submittal. This provides a means of spreading the workload, eliminates some of the schedule concurrency during critical evaluation periods, and shortens the overall source selection schedule. The offerors usually use a spin-off of existing management policies/ plans to generate these documents and often welcome an opportunity to get this effort out of the way early, allowing them more time to spend on the technical proposal.

Finally, the proper placement of requests for government property in a proposal can generate enormous dividends. Government-furnished property is usually displayed as part of the cost volume because it has a direct cost impact to the government.

In addition, other Section L instructions typically tell contractors they do not have to duplicate information within their proposals. These two things, coupled with the need for the technical evaluation team to scrub the property list, results in the various components of government-furnished property appearing in different parts of the proposal.

This creates considerable additional work for the source selection team to consolidate and sanitize cost information from the list that, in turn, lengthens the proposal evaluation. This problem is easily solved if Section L directs a complete list of requested government-furnished property (without cost information) be included in a single list in the technical volume.

No Source Selection “Cookbook”
This article surfaces a few good ideas to streamline source selections – together, these ideas provide only a good beginning. A little common sense, some teamwork and creativity, and a good understanding of the regulations governing source selections can generate a tremendous profit.

Source selection teams must be encouraged to “color outside the lines” using common sense and integrity. If it isn’t illegal, give it a try! Work with the contractors to maintain an open dialogue throughout source selection. Use their tremendous resources and expert advice to point out insidious errors, mitigate misunderstanding, and hopefully help award without amendments and discussions.

Correctly done, a streamlined source selection is more challenging but much more rewarding, and can lead to shorter selection periods and the saving of significant time and money. This, in turn, will *always* give the warfighter the best product available for the best possible price!

R E F E R E N C E

Air Force Federal Acquisition Regulation Supplement (AFFARS), Appendix BB, “Source Selection” (Headquarters, U.S. Air Force, Jan. 8, 1998).