

Thoughts on Oral Proposals

Dusting Off an Old Technique

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It was the last week of school. The rewards of three years of sweat and long hours – my degree – all hinged on how well I did on my "Orals." In preparation, I spent several weeks rereading old notes, glancing through text books, and finding grads who had already been through the pain and agony of Orals.

Universities have long used Orals as the final examination in which questions and answers are all spoken orally. As with written exams, Orals are administered with the intent of determining whether or not students really understand what they have learned. In the world of Acquisition Reform, this practice also finds favor with many acquisition professionals.

Secretary of Defense William S. Cohen's "Revolution in the Department's Business Practices" poses a clear mandate to seek innovative approaches and try untraditional methods. Clearly, today's era of reforming the government's acquisition business practices and processes encourages the creation of new streamlining techniques.

In government-defense industry contracting, our traditional exam (for source selection) has typically been a written exam administered in the form of "The Proposal." This voluminous government-mandated, contractor-prepared document in which program managers (PM) spell out their answers to our requirements – often in hundreds of thousands of words that more often than not, fail to communicate – is undergoing profound change. One of many new tech-

niques is emerging as a useful alternative – "The Oral Proposal."

In the past, when PMs used the oral proposal, its use was rare and narrowly applied. Dusting off this old technique and using it in new ways typifies the kind of innovative approach being used today.

But what is so new about oral proposals? Do they work? Are they beneficial? And, as a PM or contracting officer, is this a technique I want to try during my next source selection? This article attempts to answer those questions by examining some of the practices and problems associated with the use of oral proposals.

Necessity

"Necessity is the mother of invention." It's an old saying, but it still applies today. Consider, for example, the problem faced by Linda Barnard, Contracting Officer for the Space Base Infrared Systems Program.

"We were faced with a difficult situation," Barnard observed. "We needed to award a contract within six months. By the traditional process, we could not make it."

After discussions with several senior acquisition experts, Barnard and the program office reached the conclusion that one way to speed up the process and the

source selection was to invigorate an old process to meet a new need. They replaced a written technical volume with a novel innovation – an oral proposal.

Selecting a winning contractor based on proven capability, one who would work closely with the program office after contract award to ensure the best possible support to the customer, was the team's overall goal. To begin, the contractor's team was still required to prepare a written proposal containing a short executive summary with resumes, past performance information, a small cost volume, and the completed model





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tractors from presenting anything but an "exact" replication of the written proposal.

Generally, three different approaches have been used for oral proposals: (1) verbatim oral presentation of the proposal document; (2) oral proposal supplemental to written proposal; and (3) oral proposal only.

Verbatim Oral Presentation of the Proposal Document.¹ This is the traditional approach, with the contractors simply briefing the written proposal to the government source selection team. Though it appears to provide better insight into the written proposal, it does not offer any new or clarifying information.

Oral Proposal Supplemental to Written Proposal. Characterized by a written proposal followed by an oral presentation, this second method provides for new or clarifying information on the contractor's technical or management approach. The

Integrated Maintenance Data System (IMDS) and the Joint Simulation System (JSIMS) are prime examples.

In each of these acquisitions, the government required that contractors submit the normal written proposal and an oral presentation. Since the government planned to use commercial off-the-shelf technology for these systems, the source selection process included "live" demonstrations of techniques and initiatives considered critical to the final selection.

Under the new Federal Acquisition Regulation (FAR) Part 15 guidelines, the "revision to your written proposal" is now inappropriate since, once an offeror changes a proposal, discussions are deemed to have taken place. This mandates opening of negotiations with all offerors and prevents award without discussions or a competitive range

contract. The source selection team reviewed the offering vendor's key resumes and past performance records, then annotated a pre-prepared key criteria checklist in preparation for the oral presentation.

The offeror's source selection team was then allocated two-and-a-half hours to present their technical approach. Ultimately, this streamlined approach saved government and industry time, money, and resources. The results speak for themselves – the program office awarded on time.

Benefit

Why oral proposals? Why is it the latest acquisition technique to enjoy popularity? Well, the theory behind the use of oral proposals is that they would:

- Be executed faster than traditional written proposals.

- Improve communication between the government source selection evaluators and the proposing contractors.
- Facilitate the exchange of information during the proposal period.
- Reduce government and contractor's costs.

By that same logic, these factors should also lead to increased competition among offerors and increase the probability that only the best contractor would be selected. Source selection teams would have more pertinent information, and thus be able to make a better assessment of the contractor's team and its proposed technical and management effort.

Types of Oral Proposals

In the past, government rarely asked contractors to present oral proposals. Even when they did so, government-mandated restrictions precluded con-

determination. If necessary, a competitive range determination could be made after negotiations.

Oral-Only Proposal. The third method requires no written proposal from the contractor; however, the offeror's briefing charts could serve as documentation of the proposal.

The Joint Air-to-Surface Standoff Missile (JASSM) program came the closest to an oral-only proposal. This method required that each contractor:

- Prepare a five-hour video with 100 viewgraphs (these prepared materials became part of the proposal).
- Submit a System Performance Specification, Integrated Master Plan, and Integrated Master Schedule.
- Submit affordability and past performance information.
- Submit a 10-page cost proposal.

The Process

So, let's suppose I want to use oral proposals! What do I have to do? First, a program office needs to ask the question: Is my acquisition best suited to oral proposals?

Only you can decide. Where you have more complex issues and problems, and where open communication between the government and industry can enhance the quality of proposals and foster a "best-value" approach, then an oral proposal may be a useful technique.

The Request for Proposal (RFP) is the vehicle to use for communicating government requirements for an oral proposal.² Section L of the RFP, Instructions to Offerors, provides a description of the information the program office needs to select the best contractor.

These requirements should cover the traditional topics, such as technical approaches, management experience, and past performance. Section L should also provide detailed information on the amount of time allowed for the briefing, the format and location of the briefing, and the number and types of personnel to be involved.

The contractor will also need information on the amount of interaction that will be allowed between the contractor's team and the government evaluators. Will it be a free and open discussion, or will the government be in a receive-only mode? If a recording of the briefing is to be made, the RFP should specify whether the offeror or the government will be responsible.

Do not limit yourself. The term oral proposal does not have to be restricted to briefings only. It can also include tours of plants and demonstrations or presentations of the contractor's products or processes. The purpose behind the oral proposal is to improve communication, and these additional onsite events can provide better insight into the contractor's ability to successfully perform the contract effort.

Have They Worked?

"The use of the oral proposal has been outstanding," said Stephen Meehan, Contracting Officer for the MIS program. "It helped communication between the contractors proposing on the IMDS and JSIMS programs and the government evaluators. It provided a better understanding of the key contractor personnel and their experience."

Other agencies such as the Bureau of Engraving and Printing (BEP) have successfully used this technique to acquire training for a worldwide public education campaign on the new U.S. \$50 and \$100 bills.

"The use of oral proposal," the BEP reports, "clearly demonstrated the ability to evaluate technically superior offers while significantly reducing procurement lead time and administrative cost."

The BEP found they reduced the proposal preparation time by 70 percent (to 55 days) and administratively saved the government \$58,000. The BEP also estimates that the contractor saved over \$600,000 in proposal preparation costs.³

The consensus of the contractors involved in the IMDS debriefings was that they "...endorsed oral proposals as an

excellent method to get depth of insight about the proposed technical and management approach, in addition to a first-hand evaluation of key members of the bidding team."⁴

At the last DoD Director of Defense Procurement Conference, many of the participants indicated that they favored the use of oral proposals.

"The oral proposal provides a mutual advantage to both parties. The government gets to see the contractor's quality people," said Fred Cipriano, vice-president for Booz-Allen and Hamilton. However, he did warn against placing arbitrary RFP limits on the presentation time and formats of an oral proposal. The government needs to allow enough time for the contractors to adequately explain their plan to accomplish the contract.

General Services Administration's Bill Gormley also recommends "encouraging oral presentations since they take down any barriers that exist between the government and contractor."

What About Lessons Learned?

As might be expected, any "new" technique will require some refinement. The discussion that follows identifies some of the problems and issues encountered by those offices that have used oral proposals.

"Dilbert" or Hollywood?

In the case of one source selection, the contractors were required to videotape their proposal and submit it to the program office. This presented a quandary for the contractor. Do I have "Dilbert" present the proposal or a professional actor? The inclination to "put the best foot forward" won out, and "Dilbert" stayed in his cubicle. This "Hollywood" approach — a five-hour video — was very costly to the contractors. While a professionally prepared video may present a story in a smooth, succinct manner, it allows for no exchange of information.

As you might guess, the government technical evaluators gained very little additional insight into the contractor's proposal. The video was little more than

an augmentation of the 100 viewgraphs provided by the contractors. Thus, it was a loser from both the government's and contractor's perspectives — it cost too much and did not provide the needed exchange of information. The new FAR Part 15 seems to discourage this approach: "Pre-recorded, videotaped presentations that lack real-time interactive dialogue are not considered oral presentations..."

Government Videotaping – Not Such a Bad Idea

If the contractor does not prerecord their own videotape, should the actual presentation be recorded? Most of the people I interviewed felt that there were several advantages to the government team's videotaping the presentation.

First, it provides a record of the proceedings. It captures both the contractor's proposal and the interchange between the source selection team and the contractor. This may be important in defending any source selection team's decision should there be any subsequent legal proceeding. The General Accounting Office (GAO) has indicated that some form of record should be made to allow the GAO to determine whether the source selection decision is rational.

Second, if the program office tapes the event, it will save the contractor money (which we contribute to in independent research and development accounts) and provide a consistency between presentations. This is a case where the government is interested in the content of the presentation versus its "look."

Test Drive the Equipment

On the technical side, good equipment is an absolute necessity. With an oral proposal, the technical evaluators found they needed to run the tape repeatedly to ensure they understood the proposal. A video- or audiotape recorder that provides quality sound or video and that enables the reviewer(s) to stop, rewind, and replay in an easy and efficient manner is essential.

Political Correctness Versus Loss of Privacy
Integrated Product Teams are the current management fad, and one program

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took this to the extreme. This program integrated a prescribed seating arrangement for the participants — contractor, government, contractor, and others. This proved unworkable because the government evaluators found it difficult to take notes with contractor representatives sitting next to them. Besides, you lose the ability to ask a fellow evaluator — "What did he say?" Flexible seating during the oral presentation (briefing) is important.

Take a Break

How many oral presentations can a program office evaluate? Some government personnel indicated a concern with the number of contractors making presentations and the government's ability to use oral proposals. Some thought two or three contractors were the maximum amount of proposal presentations that could be evaluated by a team. Others felt they could easily evaluate as many as five or six proposals.

While I can offer no definitive number, my experience in interviewing personnel indicates that, when more than 10-15 people are involved, it becomes very difficult to keep differences among them clear. If you expect more than five or six offerors, it might be prudent to ask for written proposals. After the competitive range determination, oral proposals can then be used to increase the source se-

lection team's understanding of the remaining offerors.

Evaluators Need Time to Prepare

Too often true. Who among us hasn't tried to decipher his own notes and not been able to read them? The program personnel I interviewed all indicated that it was important to structure the briefings to allow enough time for each contractor to make their presentation, but also time for the government evaluators to prepare their evaluations

When the briefing goes all day, as it did for one program office, the next day was reserved for the evaluators to meet, finish reviewing their notes, and write up the evaluations. The schedule called for the next contractor to present his oral proposal on the third day, followed by another day of finishing notes and evaluation write-ups. To forget may be routine, but not a smart source selection practice.

Talk, Talk, Talk

One of the hallmarks of Acquisition Reform has been opening up the dialogue between industry and government. Prior to the presentation, it is important to provide directions to the contractor on the type of information needed for the source selection team to evaluate their offer. It helps to be specific and define the information and approach you want.

I would recommend that our wants and desires be discussed with the contractors ahead of time and a "coordinated" approach to the presentation of the proposals be developed.

Keep Your Secrets Secret

What do you do with a classified video? If you require the contractor to prepare a video and classified information is involved, then you need to consider how to handle the videotape.

- How many people will be involved?
- Where are you going to present it?
- How will the video be used during the evaluation?

Developing answers to these questions would be a good topic of discussion dur-

ing the pre-proposal conferences with offerors.

Keep Your Audience Awake

One of the best ways to lose an audience is to read the visuals. The appropriate way is to give the audience time to read each visual and then amplify selected points. This may sound like Briefing 101, but it still needs to be stressed since some people have never taken 101.

The purpose of an oral briefing is to enhance the communication between government and industry. We need to work with our industry counterparts to make sure we don't have contractor personnel just talking to the viewgraphs.

Get Real

The government wants "real people" (engineers, program managers, etc.), not actors, to deliver the briefing. Ideally, the team that will manage the program should present the briefing. This helps to provide the government evaluators a better sense of the technical and management approaches the contractor's team will use to execute the program. An interview in person, as opposed to an interview over the phone, will give the source selection team a better "sense" of the contractor's team.

Never Let a Good Idea Go Unpunished

Mandating in the RFP that only "key personnel" can brief doesn't solve all your problems. Another program office put a restriction on who could provide the presentation. Only contractor "key" people (the actual team members) were allowed to brief. To paraphrase an old saying, "Never let a good idea go unpunished." A family emergency arose and the "key" briefer had to be out of town. Yet the RFP mandated that only contractor "key" personnel could brief. The workaround — allow a substitute "key" person to brief.

Practice Makes Perfect

How about having a practice session? Generally, the offeror's proposal preparation team will do several dry runs to make sure they are getting their message across. Why not a practice session with the government? One program office

went so far as to try a dry-run presentation by the contractors after release of the draft RFP, but before the formal RFP release. The purpose of this exercise was to ensure that each contractor understood the requirements of the draft RFP and that each contractor provided the necessary data for evaluation purposes.

The program office personnel were careful not to evaluate the quality of the presentation or the contractor's design or approach but to focus on issues such as failure to address the Section L requirements. The program office also indicated whether there was too much marketing and not enough required content. Both the contractor and the program office indicated that a dry run was beneficial and did improve the contractor's proposals.

Task Orders Contracts

Oral proposals seem to be ideal for task orders (ID/IQ) contracts. They can speed up the process for a contractor's preparation of a proposal as well as the government's evaluation of a proposal. Congressional staffers have indicated that, during the drafting of the Federal Acquisition Streamlining Act, they envisioned oral proposals as one of the methods the Services would use to implement the law.

Treat All Contractors Fairly, Not Necessarily the Same

The new FAR Part 15 was rewritten with the goal of simplifying the proposal delivery process and of infusing innovative techniques into the source selection process. In the past, the emphasis has been on treating all contractors exactly the same, which led to less interaction. What's more, this barrier prevented a full discussion of the information contained in the proposal. The current approach is to "treat all contractors fairly and impartially." But they do not all need to be treated exactly the same. An exchange of information should be encouraged.

As Thomas Mann said, "Speech is civilization itself. The word — even the most contradictory word — preserves contact..." Acquisition professionals have

recognized the need for improved communication between government and industry. The Acquisition Reform movement has provided vehicles for changes in policy and changes in the techniques. Oral proposals offer the acquisition manager a new technique to more effectively manage the acquisition business.

By the way, remember those dreaded "Orals" I referred to at the beginning of this article? Well, I did pass my Orals — all in all, not a bad way to demonstrate that you know what you know, when you need to know it.

Author's Note: A special thanks to Linda Barnard, Air Force Space and Missiles Systems Center; Steve Meehan, Electronics Systems Center; Jackie Leitzel, JASSM Program Office, Eglin AFB; and Air Force Lt. Col. Ken Truesdale, SAF/AQCF, for sharing with me their invaluable insight, problems encountered, and successes achieved in implementing oral versus written proposals.

For more information on this topic, the Office of Federal Procurement Policy and Department of Energy have posted a very good guide at <http://www.pr.doe.gov/oral.html> on the Internet.

E N D N O T E S

1. The FAR Part 15 rewrite, for the first time, included Oral Presentations. In this article, I have used the term presentation to refer to the *actual presentation*. I have used the term oral proposal to refer to the *actual proposal*.
2. Some portions of the proposal will still need to be in writing. You will need a signed offer sheet, and the certifications and representation will need to be in writing. It may be prudent to have resumes, performance history, contractual commitments, and cost information in writing.
3. Seegars, Carroll L., "Oral Presentations — BEP's Success Story," *CM Magazine* (National Contract Management Association, February 1996), pp. 26-27.
4. IMDS Source Selection Feedback Notes, p. 3.
5. Frient, Ray J. Jr., "Preparing Effective Presentations," Pamphlet, 1971.