

Contracting Rules of Engagement

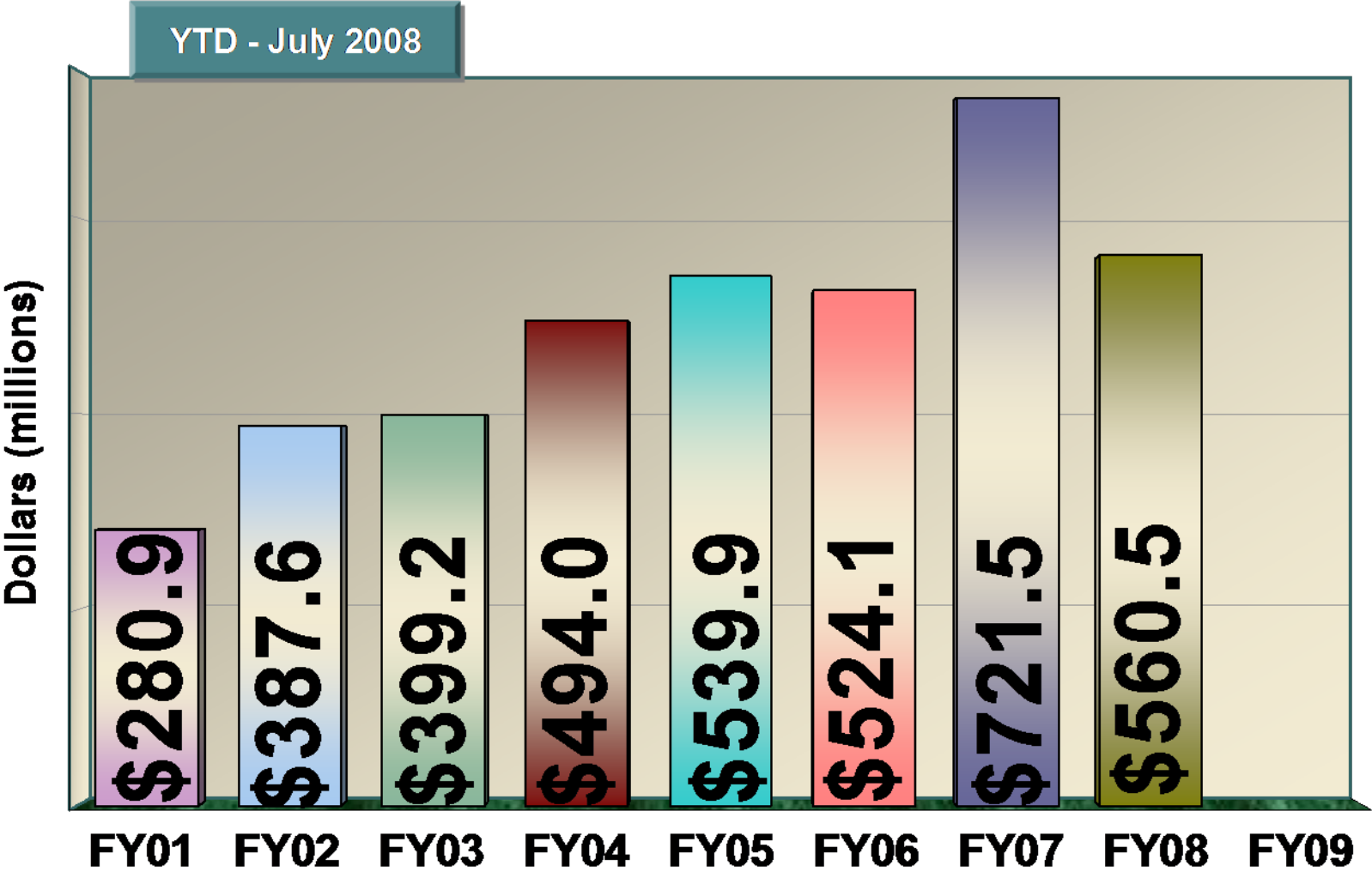
Presented at
**“Positioning Your Small
Business for Success”**

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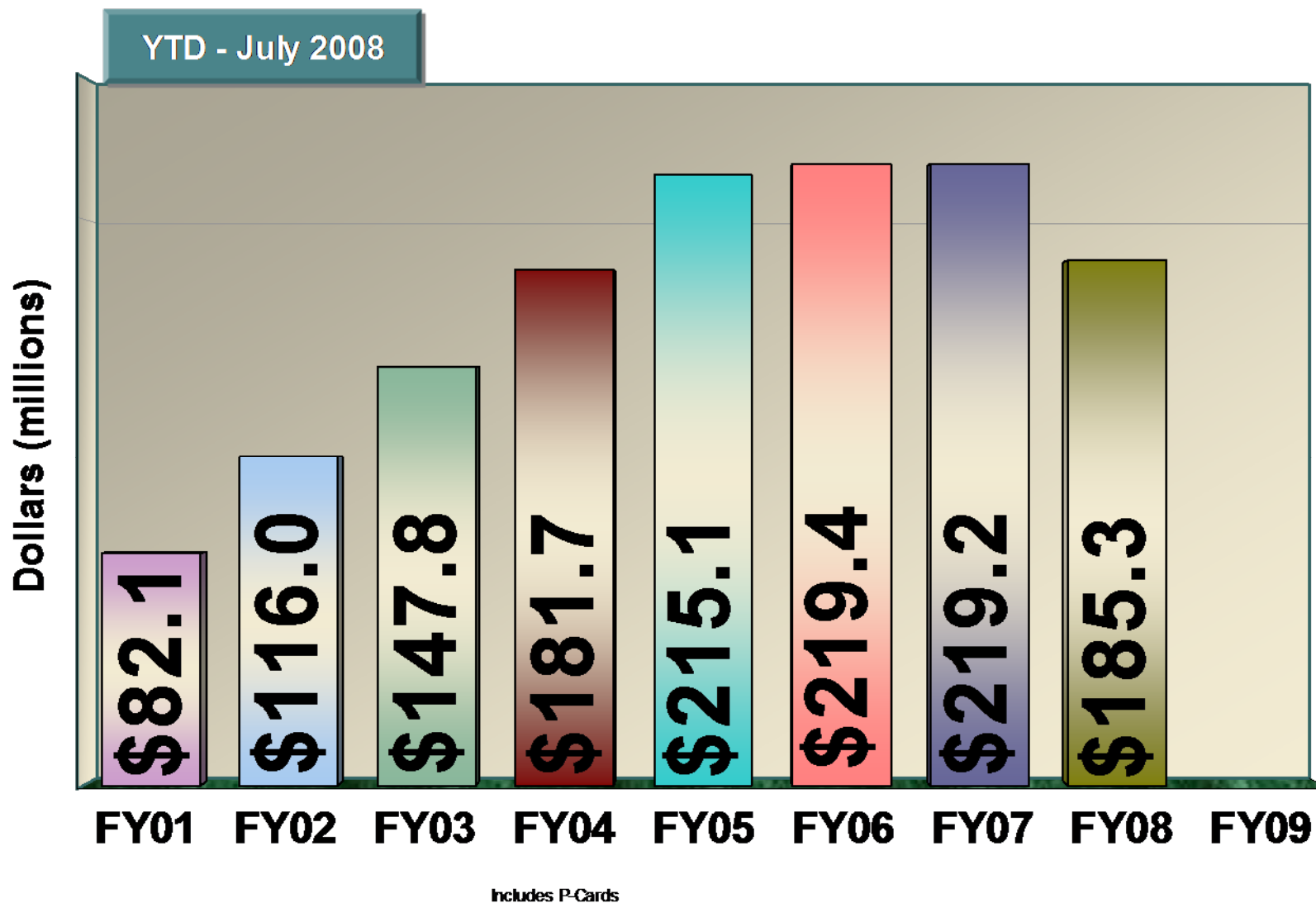


Trends - Procurement Dollars

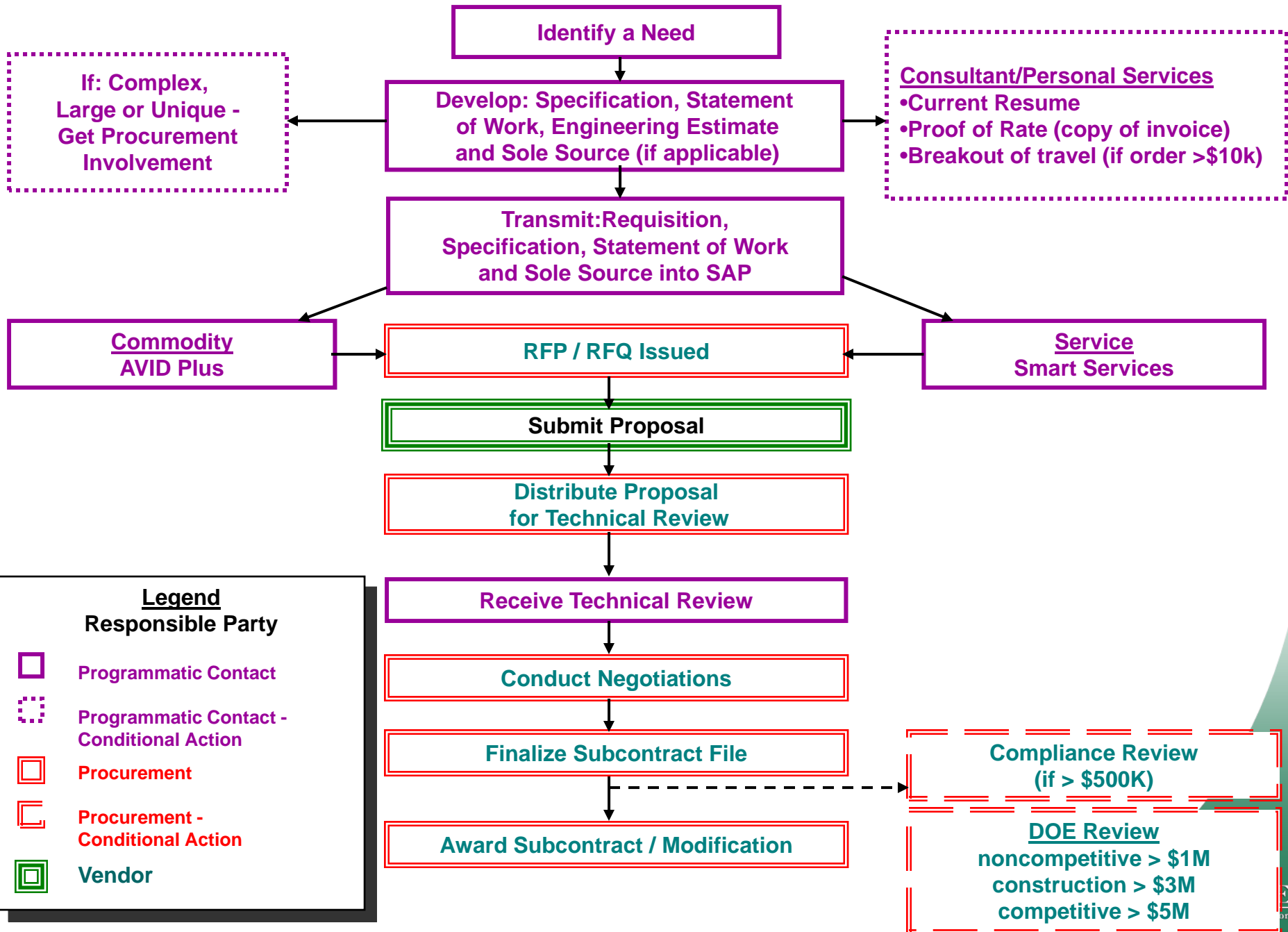


Includes P-Cards

Trends - Small Business Dollars



STEPS IN THE PROCUREMENT PROCESS



Business and Development Roundtable

Contracting Rules of Engagement

- **Proposal**

- **WHAT is a “Request for Proposal” (RFP)?**

- **An RFP is a solicitation that is issued when the Buyer conducts a negotiated procurement**
- **In an RFP, price is only one of several factors that determine the award. Also, proposals received in response to an RFP are evaluated by an Evaluation Committee**

Business and Development Roundtable

Contracting Rules of Engagement (continued)

- **Proposal – (continued)**
 - **In the RFP process, the Buyer selects an RFP Evaluation Committee (TEAM) to evaluate proposals received in response to the RFP**
 - **The role of the Request for Proposal Evaluation Committee is to evaluate proposals, ask for additional information, and identify the best proposal that is the best value to the Company**

Business and Development Roundtable

Contracting Rules of Engagement (continued)

- **SOLICITATION / AWARDEE SELECTION**
 - **Competition is Preferred Method of Subcontracting & Consistent with “Best Value” Purchasing Practices.**
 - **Evaluation Methods**
 - **Lowest Price Technically Acceptable**
 - **Tradeoff Process****
- ** Used for most Research & Development procurements**

Business and Development Roundtable

Contracting Rules of Engagement (continued)

- **TRADEOFF PROCESS**

- **Proposals evaluated solely on criteria specified in Solicitation**

IMPORTANT TO READ SOLICITATION –

ASK QUESTIONS

- **Evaluation criteria tailored to individual procurement – generally include price or cost, past performance, compliance with solicitation requirements, technical excellence, management capability, personnel qualification & previous experience**

Business and Development Roundtable Contracting Rules of Engagement (continued)

- **TRADEOFF PROCESS (continued)**
 - Tradeoff may be made between cost and non-cost factors permitting acceptance of other than the lowest price offer.
 - Oral presentations may substitute for a portion of a traditional written proposal.

Business and Development Roundtable

Contracting Rules of Engagement (continued)

- **PREPARATION OF OFFERS**

- **Read Solicitation very carefully – Ask Questions**
- **Technical Proposal**
 - **Provide plan of action and describe who will accomplish the work. Include technical qualifications & experience of key personnel**
 - **Submit a time-phased schedule of effort and expenditures, complete list of any travel assumptions**
 - **Type and quantity of any other direct items required**
 - **List of exceptions to the Statement of Work**
- **Cost Proposal**
 - **Provide full cost breakdown (labor, materials, travel & other direct costs; include supporting data)**
- **Other Information**
 - **Representation & Certification**
 - **Representation of Limited Rights Data and Restricted Computer Software**
 - **If proposal >\$500K Small Business Subcontracting Plan**

Top Challenges

- In response to the top challenges
 - ***Lack of Thoroughness in Reading Contracts***
 - ***Lack of Thoroughness in Submitting Proposals***
- The ORNL Contracts Division created the “Top Ten Reasons Why Proposals Don’t Win”

Top Ten Reasons Proposals Don't Win

- **Didn't follow the proposal instructions**
- **Did not return the requested forms**
- **Did not address the "Evaluation Criteria" in the RFP**
- **Technical proposal just regurgitated the SOW**
- **Did not adhere to page limit (too wordy)**
- **Did not state the assumptions or basis for the proposed cost**
- **Poor Safety record**
- **Lack of understanding regarding the work**
- **Lack of documented past performance**
- **Cost/Price**

Voice of the ORNL Customer Survey Results
Challenges and Suggestions
Concerning Winning Contracts

Small Business Challenge	Example	Suggestion
Lack of Thoroughness in Reading Contracts; Not Paying Attention to Detail	Ex. Invoicing Contracts Division instead of Accounts Payable; Inaccuracies due to not reading details	Read contract more than once. Know the specifics. Be accurate in order to prevent delays.
Lack of Thoroughness in Submitting Proposals	Ex. Excluding necessary documents and contact information; Informal	Read the contract more than once. Create a checklist of items to be submitted and check off as items are completed. Pay attention to detail.
Not Realizing Capabilities and Limits	Ex. Bidding on contracts that are too big to bond; Not employing enough personnel to complete contract satisfactorily	Bid on smaller dollar amount contracts. Be a subcontractor to an ORNL contractor first. Do NOT say you can do something you cannot!
Attitude	Ex. Having high expectations due to the business' status (WOSB, SDVOSB, SDB, etc.); "You need me to help meet your goals" attitude	Emphasize your competitive edge over other companies. Goals are in place as a support system - they should not be the #1 selling point.
No Prior Experience with ORNL	Ex. No proven track record with ORNL; Losing contracts to contractors with more experience with ORNL	Be a subcontractor for an ORNL contractor first to build a track record.
Lack of Business Knowledge	Ex. Being very technically skilled but lacking understanding of the business side; Signing contracts without understanding the details; Not understanding the importance of timeliness in submitting necessary documents	Educate yourself on the business side as well as on the technically side; Take online tutorials on business (check out the Small Business Programs Office website - http://www.ornl.gov/adm/smallbusiness/index.shtml for online tutorials in Small Business University)
Inadequate Breakdown of Cost Proposal	Ex. Quoting prices as a lump sum rather than a rate	Itemize all costs associated with the contract (including direct labor, other direct costs, overhead, etc.). Quote prices in a rate/hour so that buyers can gauge the reasonableness of the price.
Impatience	Ex. Lack of understanding that awarding contracts takes time	Know procurement opportunities before contacting the Contracts Division. Be patient and keep trying.
Poor Tracking of Deliverables; Not Tracking Deliverables of Subcontractors	Ex. Submitting information such as insurance, payroll, etc. to Contracts Division late or not at all; Not obtaining deliverables from subcontractors	Keep a tracking list (such as an Excel spreadsheet) with the necessary deliverables and their due dates. Follow the tracking list and submit deliverables to the Contracts Division on time. Call the Contracts Division if a deliverable will be late.

Concerning Performance Contracts

Small Business Challenge	Example	Suggestion
Communication	Ex. Not communication with the customer enough about the progress and details of the contracts; Not setting up a debriefing meeting	Check in with your customer often. Have a reliable point of contact. When not performing a contract, periodically touch base with them so they keep you in mind for future opportunities. (But do not be pushy.)
Inadequate Project Management	Ex. Not managing subcontractors effectively; Falling behind schedule; Being reactionary	Be proactive. Follow up with customers for informal feedback and correct problems ahead of time. Turn contracts around as quickly as possible. Choose subcontractors wisely.
Poor Infrastructure and Accounting System	Ex. Insufficient cash flows; Needing payment before the standard 30 day period ends	Install an accounting software that can be understood and used correctly. Keep better track of cash flows using the software.
Damaging or Destroying Relationships with ORNL Staff	Ex. Buring bridges with Lab staff; Losing a contract and complaining about it; Leaving a bad taste with customers	Foster relationships with Lab staff. Be positive and gracious - make the customers want you to perform more contracts for them.
Gradually Adhering to Safety Standards	Ex. Not following safety rules immediately; Not following protocol	Know all safety standards before reporting to the job site. Comply with safety rules <i>immediately</i> .
Subcontractor Agreements	Ex. Not having a defined agreement with subcontractors about the details and responsibilities	If you are "teaming" with subcontractors, create a defined set of terms during the solicitation phase in case you are awarded the contract.
Inflexibility	Ex. Not adapting to modifications in the contract	Be open to modifications. Recognize that changes are bound to happen, especially in long-term contracts.

Business opportunities: Support Services

Upcoming procurements	RFP	Estimated value	Contact
For the ORNL FDD and SNS provide Architectural-Engineering, MEP, Geotechnical & Noise Vibration	Summer 2008	TBD	Angela Shillings 865-576-1552 shillingsag@ornl.gov
For the ORNL FDD and SNS provide Architect-Engineering services	Fall 2008	TBD	
Engineering & Technical Support to the Nuclear Nonproliferation Office	August 2008	\$20M	Jack Liles 865-576-1525 lilesm@ornl.gov
BOA for SensorNet Development Support	August 2008	\$3M	JoAnn Fitzpatrick 865-576-1543 fitzpatricja@ornl.gov
BOA for Infrastructure Support	August 2008	\$5M ceiling over 5 years	Stacey Johnson 865-576-0718 johnsonsl@ornl.gov

Business opportunities: ITER & SNS

Upcoming procurements	RFP	Estimated value	Contact
ITER – Systems Engineering Support	August 2008	>10M	Jeremy Duncan 865-576-0477 duncanjr@ornl.gov
ITER – Investigating & Demonstrating Technologies for CODAC High Performance Networks	August 2008	TBD	Jeremy Duncan 865-576-0477 duncanjr@ornl.gov
ITER – Bulk Steel	Summer 2008	>10M	Jeremy Duncan 865-576-0477 duncanjr@ornl.gov
SNS – Fabrication of spare Inner Reflector Plug	Fall 2008	>\$1M	Markus Camfield 865-241-6119 camfieldma@ornl.gov
SNS – Neutron Guide System and Beamline Shutter Insert Cartridge	Fall 2008	>\$500K	Barbara Shaw 865-574-1730 shawbn@ornl.gov

Business opportunities: Construction

Upcoming procurements	RFP	Estimated value	Contact
Paving	Summer 2008	\$1M-\$3M Ceiling per BOA	Angela Shillings 865-576-1552 shillingsag@ornl.gov

Business opportunities: AVID

Upcoming procurements		RFP	Estimated value	Contact
AVID Commodities Agreements: Just-in-Time Agreements	Clothing	FY08	\$300K-\$600K	Jackie Smith 865-576-1754 smithjm1@ornl.gov
	Bulk gasoline and heating oil	FY08	\$6M-\$6.5M	Jackie Smith 865-576-1754 smithjm1@ornl.gov
	Toner cartridges	FY08	\$300K-\$600K	Ellen Blackburn 865-576-1925 blackburnee@ornl.gov
	Chemicals/Sigma Aldrich Products	FY08	\$1M-\$3M	Robert McNaughton 865-576-8803 mcnaughtonra@ornl.gov
	Hoses/ gaskets/ rubber/ pipes/ valves/ fittings	FY08	\$500K-\$600K	Clint Rash 865-576-2095 rashcd@ornl.gov
	Heating, ventilation, and air conditioning	FY08	\$1.5M-\$2M	Robert McNaughton 865-576-8803 mcnaughtonra@ornl.gov

Questions