



How Can We Lose?

Navigating Competitive Pursuits

CORTAC Group



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Often a question asked throughout a competitive pursuit, the answer is typically there are many ways you can lose. Since this is not a very satisfactory answer, we review history to find examples of how an offeror has lost. A long history of experience leads us to 3 definite mistakes that can bring a hard-fought campaign to a very unhappy ending.

They are:

- Failing to develop or to follow your Price to Win (PTW)
- Taking an exception to an element of the RFP
- Failure to follow the rules, both defined and implicit

We will explore each area and offer guidance to avoid these often self-imposed barriers to winning.

The Price to Win

Since most major competitive acquisitions within the Federal Government involve a long-structured process to develop the competition, a certain amount of competitive leveling is normal. We as an offeror work with the acquisition agency to develop both the RFP and our individual offers. Along the way we are forced to reveal some aspects of our strategy to our competitors. We ask questions in a way to guide the agency to structure the RFP in a certain way. A good proposal manager will track the competitors question seeking clues to how and why they are asking particular questions and how that will affect our competitive position.

When we finally submit our proposals, the evaluation process is structured to fix various shortcomings of each offer. Maybe not all the problems but the most egregious are addressed which brings the competitors' scores closer in alignment. After all, it can't be a competition unless there are at least two viable competitors. The result is with scores more balanced, the cost/price factor tends to grow in importance despite the verbiage in Section M to the contrary. This is where Price to Win becomes critical in the final determination of the winning bid.

Many large aerospace companies retain PTW experts on staff. Others depend on outside consultants to bring their expertise to bear on the problem. The types of analysis range from in depth review of both buy and seller business practices, past performance and financial data. Others follow simple rules of thumb such as "80% or the available budget wins 80% of the time". Others ask what is a PTW which can be the road to ruin in any competition.

One of the best techniques is to leverage the Black Hat assessment of the solution each competitor is likely to offer and then conduct a cost estimating exercise on each solution. Included in the cost estimating effort is an assessment of the business implementation each

competitor is likely to adopt. This includes likely investments, cost accounting structures, work locations and teaming. The result can result in an estimate within a few percentage points of that competitors bid.

Whatever the technique, once the PTW is determined, reviewed and approved the team has to determine how to achieve that price. Ignoring your PTW is the same as ignoring your win strategy. All too often we hear the loser pin the loss on the other guy buying in or the customer didn't like us when closer inspection reveals a lack of resolve to achieve the PTW. After all, if we knew the other guy was investing and that resulted in a lower PTW then why did we spend all that B&P to submit what we knew would be a losing bid? Failure to develop and achieve a PTW is the number one answer to the question posed as the title of this White Paper.

Taking Exceptions

Of course, the RFP has it written right there, often in Section L: "Any exceptions may be grounds for the Contracting Officer to reject the proposal...". The exception could be against any part of the RFP, the regulations in Section I, the special contract requirements in Section H, elements of the statement of work in Section C or even the mandatory requirements of Section L.

Section L is where a lot of problems occur. An example of a Section L mandatory requirement might be the need for a Facility Security Clearance to perform and work or a current CMMI assessment. Another area often found in Section L are requirements dealing data rights and licensing of software. While companies rightly so want to protect their intellectual property, the Government wants to spell out their expectations of data and products produced under contract. The onus is on the offeror to spell out their position. If the position is inconsistent with the requirements of Section L then the issue must be worked prior to Final RFP release when the doors are closed for further discussion.

The requirements of the Statement of Work and the specification for the product or service also contain a large set of requirements. Here to one must be ready to demonstrate that all requirements are met or risk losing the bid to these exceptions.

A typical position client take when submitting proposals with exceptions is that all items are negotiable. This of course assumes the proposal gets to the negotiating table. The trouble with mandatory requirements such as Section L or Statement of Work requirements is the Contracting Officer usually reviews the proposal prior to starting the formal evaluation process. If the offeror takes an exception to a mandatory requirement, the CO has a couple of choices; they can ask a clarification question, they can reject the proposal or risk moving into the evaluation phase with the hope that the situation can be rectified during discussions. If you are lucky enough to receive a clarification question, now is not the time to debate with the CO. You were given a chance that maybe you as the offeror did not fully understand the

requirements of the RFP and you are granted an opportunity to remedy that situation. We have seen attempts at negotiating and they never work.

If the CO decides to move forward with the evaluation the exception still needs to be resolved prior to the contract award. Failure to resolve the issue can result in a successful protest to the Government Accountability Office. A classic example is found in the Aerial Refueling Tanker Protest (See GAO-08-991T) where error five found the Air Force improperly accepted the proposal that took exception to a material solicitation requirement. So why risk it, resolve the issue right away or reject the proposal.

Taking an exception to a mandatory requirement is the second most likely reason a client can lose a competition.

[Following the Rules](#)

Some rules are written down and others are not but regardless the capture management team needs to review the acquisition carefully before settling on a strategy and an offer. The number one rule, clearly written in almost every RFP is “follow Section L”. At least once during each proposal there will be a concerted effort to ignore Section L and put something in the proposal that either was not asked for or in violation with the instructions. The standard Proposal Manager response in all cases is “we follow Section L”. Yes, it would be nice if there was a better order, additional topics or even a major restructuring of the whole thing but when that Final RFP hits the street, we are following those instructions to the letter. Will you get thrown out of the competition if you ignore the instructions? Maybe not, but you will likely not be making many friends with the evaluators and after all they are the one deciding how to score your offer.

Unwritten rules are more difficult to understand but can have a major impact on whether or not you receive favorable results during the evaluation. A good example of an unwritten rule is using a commercial product for a military purpose. Say for example the RFP requests a proposal for an aircraft capable of carrying and launching a large number of cruise missiles. You may consider a solution using a large commercial transport aircraft and there are a lot of advantages to this solution. Proven platform, great operations and maintenance support through an existing network, huge cost savings. But the downside is that you potentially make every civilian airliner of that type a target. Who is to say that the plane is carrying passengers or offensive weapons? The reverse can also be true; using military hardware for a purely commercial enterprise might be cause to reconsider. Offering up old ICMBs as commercial launch vehicles might be a real cost saving idea, but that booster still has the launch signature of a weapon and that could trigger an alert or worse.

How do the rules impact the evaluation? As stated earlier, not following the written rules may result in an unfavorable evaluation. The solution is already tainted by the time the Source Selection Authority (SSA) decides. The unwritten rules are decided at the SSA level.

The Source Selection Advisory Council (SSAC) generally weighs in on these issues. Since the offer may meet all the RFP requirements and receive a good evaluation against the Section M criteria, there still is room for the SSAC to advise the SSA in their decision. The resulting decision letter may not directly address the unwritten rule, there will be clues in the letter describing the advantages of the winning offer. Although not as frequent as PTW and exceptions, not following the rules is still a significant contributor to competitive loses.

Conclusion

Read and understand all the RFP demands of your competition. Fight for zero exceptions and when forced to take one, ask for the direction in writing. Then respond to the written instructions slavishly, no matter how bad it looks, no matter what is wrong, no matter how many better ways to do this there may be, follow the instructions. Finally consider the rules by which we have to compete. If our offer is inconsistent with the stated need, then reconsider your competitive position.

About CORTAC Group: CORTAC was founded to foster and promote a team environment with leaders that have proven success. We provide training, project management, and proposal management resources and tailor our approach to best meet your business needs. Our experience allows us to quickly integrate with your team and help you achieve your goals. As part of our Proposal Development Services we provide Capture Management, Proposal Management, Volume lead Management, and Price To Win capabilities. We work with your proposal team using a disciplined development process that is tailored to be compliant with your processes and needs.