



Defense Acquisition University

Proposal Preparation

EXAMPLE PROPOSAL PROCESS

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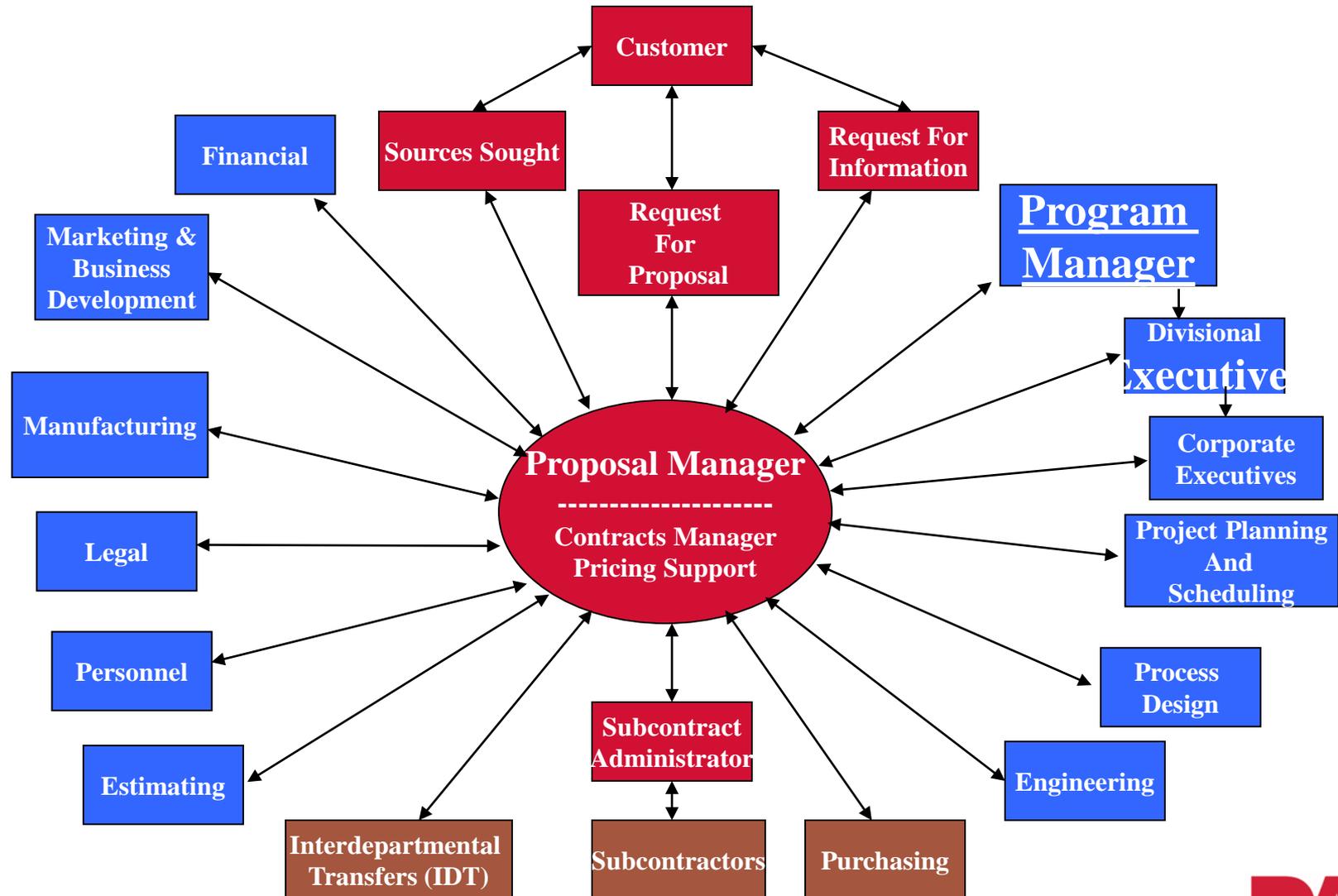
Proposal Complexities In Government Contracts

- **Contracting With The Government Requires A Proposal Process**
 - Government is Sovereign With Many Laws, Rules and Regulations
 - Processes Are Necessary To Insure Compliance
 - Government Contracting Relationships Are Complex (legally)
- **Competitive Acquisitions Utilize Government Procedures That Provide For Little Flexibility**
 - Proposals Must be IAW Proposal Instructions, Laws, Regulations
 - Proposals Must Also Be Timely (Late proposals are rejected)

Proposal Quality

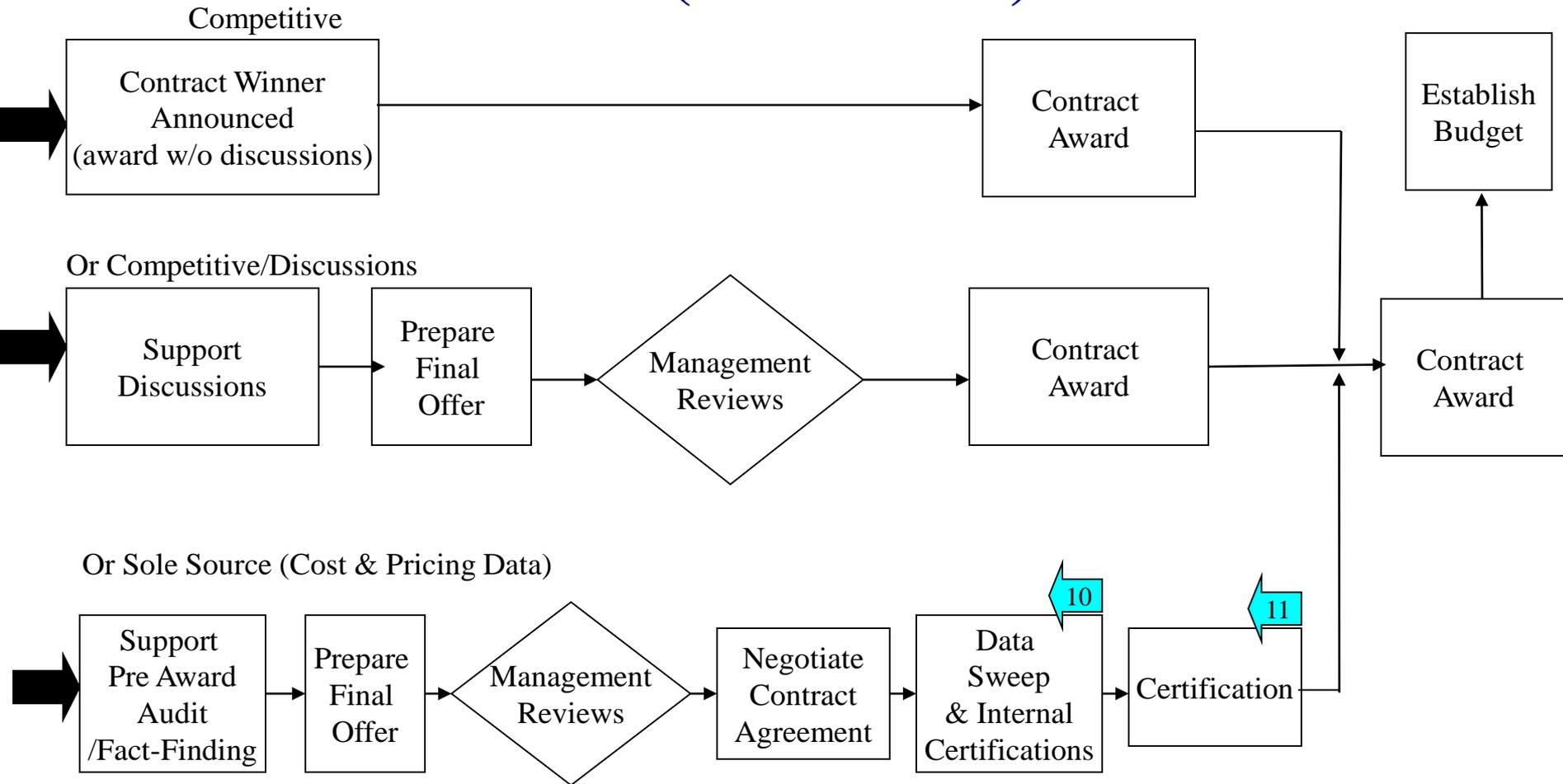
- Factors that often drive proposal quality
 - RFP and supporting document clarity
 - Early industry involvement
 - Understanding the requirement
 - Contractor Pre-planning (Business Development)
 - Proposal Development Time
(Proposal Submission Dates - RFP Instructions)
 - Contractors Proposal Process

Proposal & Contract Manager Interfaces



Example

Proposal Process Flow Chart (Continued)





Bid/No Bid Review Issues

- The Bid/No Bid decision is crucial as proposing on contract actions consumes tremendous resources
- Items often addressed include:
 - Strategic Analysis
 - Customer Information
 - Capture/Win Strategy
 - Management Baseline
 - Past Performance
 - Proposal Management
 - Potential Profit/Loss
 - Financial Information
 - Competition Issues
 - Technical Baseline
 - Cost Estimating/Pricing Issues
 - Risk (Technical/Cost/Management)
 - Internal Company Considerations



Proposal Plan of Action (PPOA)

Issues

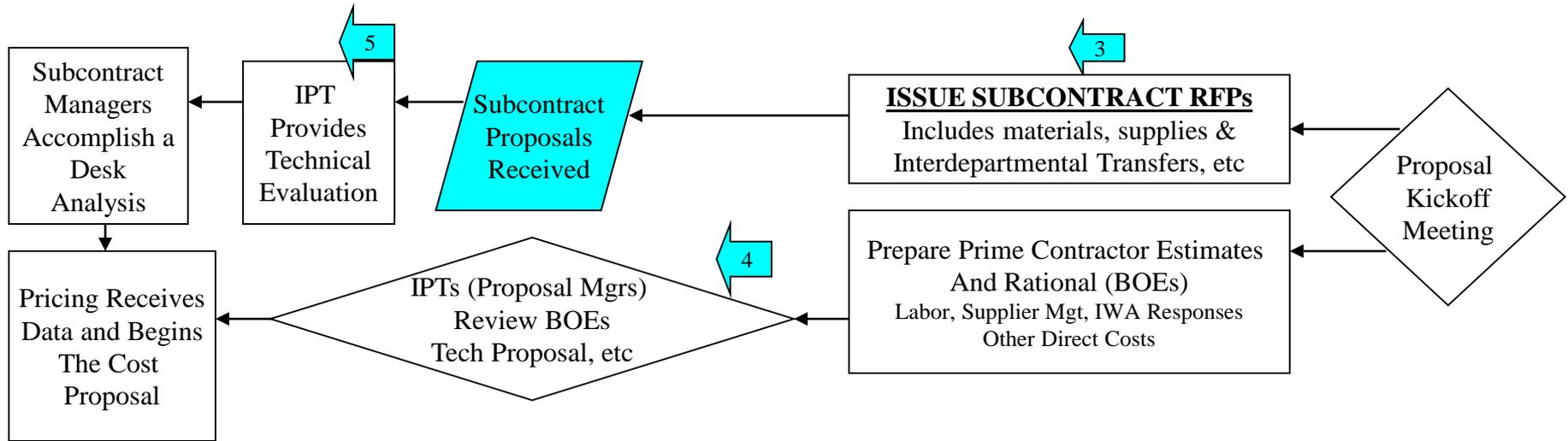
- The Proposal Plan of Action (PPOA) is a critical document that **communicates proposal instructions** to all proposal participants:
 - General Program Information
 - Provides proposal instructions
 - Provides a **Proposal Schedule** (individual assignments/due dates)
 - Ground Rules and Assumptions
 - Describes the proposal (Cost, Technical, Mgt, Past Performance)
 - Reviews the Statement of Work (SOW)
 - **Pricing Instructions** (including **BOE and other instructions**)
 - Contracting Instructions
 - Points of Contact (Proposal Mgr, Pricing Mgr, Contracts Mgr, etc)

(See example Proposal Plan of Action (POA))

(See example Basis of Estimate (BOE))

Example

Proposal Process Flow Chart (Continued)



← 3
Immediate release of subcontractor RFPs is crucial to maintain schedule (SOW, CDRLs, GFP, projected Funding, many other issues)

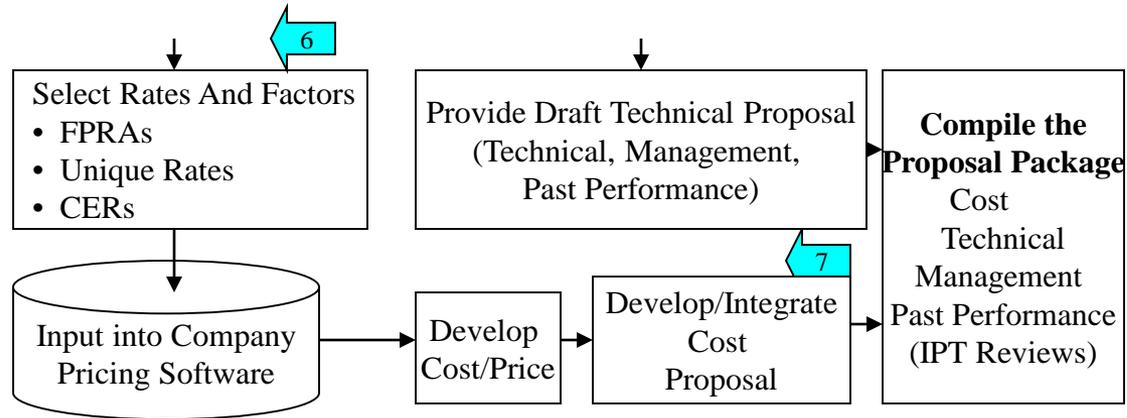
← 4
Prime Contractor Begins Compiling The Technical Proposal

- BOEs for the WBS items and IPTs and/or Functionals review
- Upon approvals, BOEs are submitted to pricing and IPTs continue work on the Technical Proposal

← 5
IPTs must technically evaluate all subcontract proposals and provide cost estimators the input. Cost estimators accomplish a desk analysis and provide input to pricing

Example

Proposal Process Flow Chart (Continued)



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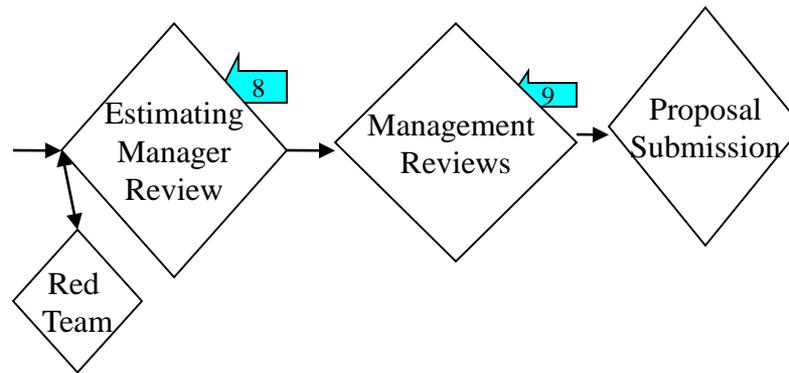
Pricing now **applies any forward pricing rates and CERs (factors)**- or obtain deviation approvals for rates/factors development. Should document why the existing FPRAs and CERs (if any) do not apply to this proposal Effort.

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- **Maintain and monitored pricing logic**
- **Complete a cost proposal check list**
 - Often used for proposals over \$550K
 - (TINA compliance/other issues)

Example

Proposal Process Flow Chart (Continued)



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Manager Signs Cost Proposal Checklist (Establish \$ Threshold) and **Reviews all proposals** prior to submittal

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Obtain any company management review And approvals for business commitments

Delegation of Proposal Authority considerations
For proposal approvals (Program Manager, Company Division, Corporate Staff?)

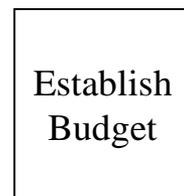


Proposal Checklist Issues

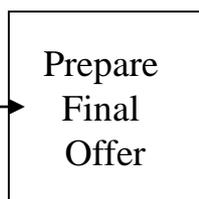
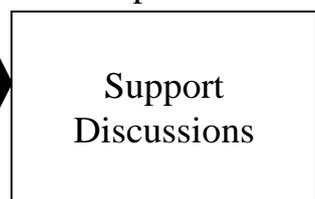
- Proposal Checklists help insure:
 - the submission of a quality proposal
 - meeting customer requirements
 - complying with any internal company procedures
- Forces the review of such things as:
 - Competitive (did you bid to the source selection criteria?)
 - Bidding Ground rules and Assumptions
 - Cost Information (methodology, spreadsheet, WBS, Cost Detail, etc)
 - Rates and Factors (DCAA Approved? Are Costs Time-Phased? Etc)
 - Company Resources
 - Basis of Estimates (clarity, debit/credit, documented the sources of BOEs)
 - Identifying any Proprietary Data
 - Management Judgments

Example Proposal Process Flow Chart (Continued)

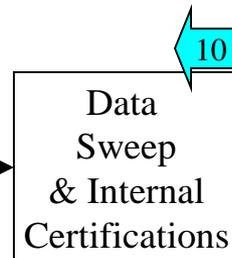
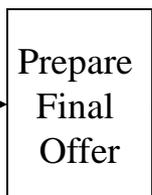
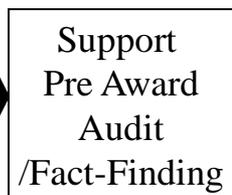
Competitive



Or Competitive



Or Sole Source (Cost & Pricing Data)



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Maintaining a **Data Handout Log** is *highly recommended* to document all information provided to the Customer -- for Truth-In-Negotiations Act (TINA) Compliance

(See Example Data Handout Log)

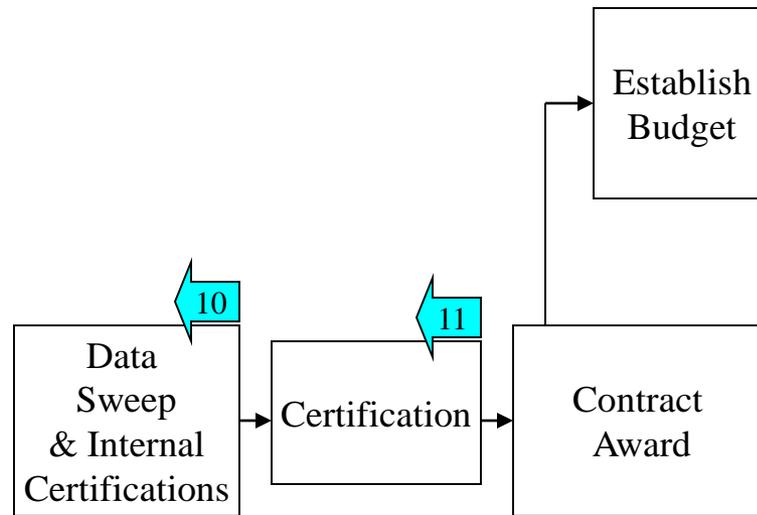




Example

Proposal Process Flow Chart

(Continued)



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Perform a final data sweep and provide an internal written verification Confirming that all costs or pricing Data have been disclosed by Organizations participating (including Subcontractors)

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Execute the Certificate of Current Cost or Pricing Data - and include the handout log with the certificate (valid backup material)

(Example Certificate of Current Cost and Pricing Data)