Preparing Technical Proposals for Government Contracting

Understand the factors that influence the technical quality of proposals for government contracts

Learning Objectives

At the end of this module, you will be able to:
- Define the basic steps in preparing technical proposals for government contracting.
- Identify factors that influence the technical quality of proposals for government contracting.

About FDIC Small Business Resource Effort

The Federal Deposit Insurance Corporation (FDIC) recognizes the important contributions made by small, veteran, and minority and women-owned businesses to our economy. For that reason, we strive to provide small businesses with opportunities to contract with the FDIC. In furtherance of this goal, the FDIC has initiated the FDIC Small Business Resource Effort to assist the small vendors that provide products, services, and solutions to the FDIC.

The objective of the Small Business Resource Effort is to provide information and the tools small vendors need to become better positioned to compete for contracts and subcontracts at the FDIC. To achieve this objective, the Small Business Resource Effort references outside resources critical for qualified vendors, leverages technology to provide education according to perceived needs, and offers connectivity through resourcing, accessibility, counseling, coaching, and guidance where applicable.

This product was developed by the FDIC Office of Minority and Woman Inclusion (OMWI). OMWI has responsibility for oversight of the Small Business Resource Effort.

Executive Summary

The federal government is currently spending billions of dollars on products and services. No longer do government agencies procure or perform these types of services in house. Now they look outside to fill critical needs. To work with the government, you'll be developing proposals in response to government solicitations in a competitive bidding process. The government evaluates the proposals it receives and decides which represent the "best value." Best value is not simply about price. Instead, it is a judgment concerning several factors including capability, capacity, past performance, and price. Each of these factors can differentiate you from your competition. Successful proposals focus on the technical aspects: technical proficiency, technical manpower, past performance, clarity of approach, and thought leadership. This module helps you focus on technical factors as you prepare proposals for government contracting.

The Technical Advantage

As the government purchases more and more goods and services, it relies on a competitive process to select contractors who offer the best value. Best value is more than just price; it also involves technical factors as well. In fact, the technical aspects of a proposal are often more important than those involving price. At times the federal government may select a higher cost proposal because of a superior technical response (which includes your technical/management approach, experience, past performance, and quality assurance). Therefore, you need to think carefully about your technical proposal in order to differentiate your business from the competition. First, you need to know a bit about how the contracting process works and how proposals are typically evaluated.

The Typical Federal Government Contracting Process

A government agency usually solicits proposals from businesses having previous experience or interest in the relevant field. The technical staff of the agency draws up a work statement describing the mission of the project and develops specifications to which proposals must conform. This work statement is incorporated in a formal request for proposal or quote (RFP/RFQ) which is sent to select service providers. When proposals are received, the government evaluates them and assigns ratings to the factors it feels are most important. The basic activities performed by government agencies during the contracting process include:

- **Pre-Solicitation:** Identifying the requirement, performing market research, and preparing the statement of work and solicitation package.
- **Solicitation:** Identifying prospective service providers, distributing the solicitation package, and receiving proposals.
- **Evaluation:** Evaluating the proposals submitted by the offerors fairly, accurately, and efficiently (e.g., Technical, Management, Past Performance, and Cost). Each proposal submitted by an offeror is evaluated based on responsiveness to the solicitation package and each proposal is given a score.
- **Award:** Making the best value decision for the award, obtaining all pre-award approvals, executing the contract with the successful offeror, notifying the unsuccessful offerors, and conducting debriefings.
- **Administration:** Ensuring that the contractor adheres to the terms and conditions of the contract, monitoring contractor performance, processing and paying invoices, executing modifications, handling claims, and closing out the contract.

Government agencies evaluate proposals in terms of how well offerors can articulate performance of the prospective contract. The technical evaluation of a proposal is made by technical specialists or subject matter experts (SMEs) who are deliberately not shown the costs. The final contract awards are made by others (including the Contracting Officer) who consider both technical quality and cost in an effort to find the proposal that offers the best value to the government.

Government evaluation teams typically:

- Evaluate only on the requirements that are stated in the solicitation.
- Evaluate only the text in the proposal without making assumptions.
- Look carefully at proposals for assumptions or statements that could increase the cost/price and/or risk to the government.
- Document the reasoning for any potential increased risk to the government on the evaluation form for the Contracting Officer's review.
- Look at each proposal individually without comparing it to other proposals; all proposals are evaluated individually against the factors in the solicitation.
- Determine if each proposal meets, or does not meet, the acceptable standards specified in the RFP/RFQ without ranking them.

Evaluation of Non-Price/Cost Factors

Proposals are evaluated against the Performance Work Statement (PWS), Statement of Objectives (SOO), or Statement of Work (SOW) and the stated evaluation criteria defined in the RFP/RFQ. They are all reviewed and scored using the same evaluation criteria and rating standards. In many cases, the RFP/RFQ will define the weighted value for each evaluation factor. The government uses the weighted value to apply a rating to each category for each proposal received on the following factors:

- Factor 1: Technical Approach
- Factor 2: Past Performance
- Factor 3: Management Approach
- Factor 4: Experience
- Factor 5: Quality Control Approach

Factor 1: Technical Approach

The government evaluates the degree to which your proposal reflects a clear understanding of the statement of work in the proposal. Your approach shows how you plan to conduct the project in order to meet the requirements that are set out in the solicitation. In some cases, the evaluation team will provide a rating and cite the specific proposal page, proposal paragraph, and comment identifying a significant strength or weakness in the Technical Approach. If you ask for a debriefing, the Contracting Officer will likely go over your evaluation and note the issues.

How to Get Technical

Your proposal is your only platform to communicate your services and capabilities; this is your one opportunity to win over the evaluation panel. You should include a full discussion of the nature and scope of the project, including your approach and the results you expect. Think carefully about the

needs of the agency, and the requirements listed in the proposal; speak to each of them in your technical proposal. Quality is more important that quantity— so keep your response clear and focused. Confine the proposal submission to essential matters directly related to your technical approach, but give enough information that the government can evaluate your approach.

Your technical approach needs to include "thought leadership," or how your thinking about an issue represents leading practices. Let your philosophy and point of view come through in your response. You can use the executive summary to highlight your understanding of the situation, complicating factors, and what you think the agency may be asking for in the solicitation. Close out the executive summary by reinforcing why your business can best address the situation. Make sure that the body of the proposal hits all of the needs and requirements of the proposed project.

Your technical proposal will generally be evaluated by a technical evaluation panel separate from the cost aspects of your submission. This is done to give an unbiased rating of your technical proposal. The Contracting Office and the agency will then decide on the best value based on the technical and cost evaluations.

Spending the most to prepare a proposal does not necessarily correlate to a higher probability of success. In fact, the business proposing the most technically responsive and well thought out solution to address the problem will most likely receive a higher ranking in the technical evaluation.

Factor 2: Past Performance

Your past performance evaluations reflect your business' performance risk: they tell prospective clients how well you did on other similar projects. To learn about your past performance, evaluation teams will look at the Past Performance Information Retrieval System (PPIRS) database, the Contractor Performance Assessment Reporting System (CPARS), and conduct Internet searches as appropriate. PPIRS is and CPARS are web-enabled, enterprise application that provides timely and pertinent contractor past performance information to the federal acquisition community for use in selection decisions.

The typical Rating Standards for past performance are:

- **Unknown Risk (UR):** No record of past performance or contact information.
- **Low Risk (LR):** The offeror consistently meets work schedules, provides specified services, and meets contract terms without failure.
- **Moderate Risk (MR):** The offeror meets specified services most of the time and has not defaulted on any contract within the past three years.
- **High Risk (HR):** The offeror has consistently not met work schedules and other obligations, has defaulted on at least one contract within the past three years, or has chronically failed to meet contract terms.

The government may also call or email the references you provide in your proposal, and evaluators are encouraged to document their efforts in obtaining past performance information.

How to Get Technical

Past performance information is one indicator of your ability to perform the contract successfully. Although the government can evaluate your business proposal with no relevant performance history, most organizations require you to identify past or current contracts (including federal, state, and local government, and private) for efforts similar to their requirements. From time to time, a solicitation may require past performance that your business doesn't have, and this situation can impact you negatively in the evaluation. To address this issue:

- **List past performance of *individuals*.** Even if your business doesn't have a specific area of performance, the past experiences of the proposed team members may be enough to show credibility.
- **Team with others.** Small businesses frequently team with other organizations that have the required past performance or work with a larger prime contractor to pursue the federal government opportunity. If you do team with others:

  - Illustrate your past performance and experiences and that of your strategic alliance partners in a format that is understandable by the federal government. Categorize each performance statement by experiences with federal government, state government, private sector, and nonprofit experience.
  - Ensure that past performance statements highlight the specific work previously performed and the particular industry sector (e.g., automotive, banking and financial services, U.S. federal government, military, state and local government, technology, etc.).
  - List your role or that of your organization on the past performance engagement and be transparent about the role of your strategic alliance partner in delivering the solution to the past client.

Factor 3: Management Approach

The government wants to see how well your management approach reflects a clear understanding of the project tasks and deliverables. The management approach includes a high-level project management plan (also known as a project plan) that (1) outlines how your project team will deliver the service; and (2) defines how the project will be executed, monitored, and controlled. It is a roadmap for your project, and it guides how you execute and control the project. The primary uses of the project plan are to document planning assumptions and decisions; facilitate communication among stakeholders; and document approved scope, cost, and schedule baselines.

To develop a project plan, start by getting input from the project team and key stakeholders. The plan should be agreed to and approved by the project team and its key stakeholders. Then, develop a high-level sketch of the project that includes the following elements:

- Scope Management
- Schedule Management
- Quality Management
- Resource Management
- Communications Management
- Project Change Management
- Risk Management

A project plan may be summarized or detailed but it needs to describe your execution, management, and control of the project.

How to Get Technical

Your management approach should show that you have the ability to both "plan the work and work the plan." In it, you'll need to clearly break down each task and provide supporting details. Some guidelines for developing your management approach:

- Include a statement of work that describes the work to be accomplished and any deliverables; each task description should be written to facilitate evaluation and acceptance without the need for major rewrites prior to incorporation into the resulting contract.
- Develop a program milestone chart which includes a detailed list of tasks and subtasks, and the duration of each.
- Identify a list of contract deliverables which are traceable to the milestone chart. These milestones should include the timeframes for preparation, delivery, review, and approval for all draft and final reports, as appropriate.
- Prepare monthly or quarterly status or activity reports to provide to the Contracting Officer. This will ensure your project stays on schedule and within budget. Keeping the Contracting Officer well informed could give you an advantage for future contracts.
- Be realistic and ensure that your stated management approach can actually be implemented. Take caution not to promise technology or service levels that you deem unmanageable based on the size and capabilities of your business.

Factor 4: Experience

The government will evaluate the experience that your business brings to the project. Your experience should be identical to, similar to, or related to the requirement. Make sure you clearly describe the relevancy of your experience in a manner that helps the Contracting Officer and the evaluation team recognize the similarities or parallels to the proposed contract. You may think the similarities are

apparent, but keep in mind, you are intimately familiar with your past experience and the evaluation team is not.

How to Get Technical

You need to demonstrate that you have the experience to handle the project. Successful proposals are highly correlated with the education/experience level of the proposed team, team size, and the number of technical personnel. As a small business, you may need to make alliances and teaming arrangements to illustrate that your small business can deliver additional resources. Team with other businesses that can provide the required staff experience or work with a larger prime contractor to pursue the opportunity. Be sure to secure a clearly defined role for your business and require that your project team (project manager, etc.) be given key roles in the project.

When you have a team in place, list the technical personnel on the team, the number of years of experience, and any other demographic information you deem necessary or appropriate. Ensure the education/experience level of the proposed team highlights your capabilities and shows leadership experience that can be leveraged for the project. Consider showcasing specific past performance and experience that proposed team members performed key roles.

One might expect the size of the technical work force to be one of the most important resources for proposal preparation, and indeed it is. Although it might also be postulated that a larger team would include a greater range of competences; team size bears little relation to the technical quality of an offeror's proposal.

Factor 5: Quality Control Approach

You will be evaluated on your overall approach to quality control. This approach should identify processes, procedures, and metrics which are likely to predict successful cost and schedule outcomes. You'll need to show that you have established quality control metrics and that you will reliably collect data to show how the project is progressing. You should also present your change management plan and your issue resolution plan. Being prepared for potential issues or changes will indicate you have proven strategies in place and you are committed to the success of the contract.

How to Get Technical

Leading organizations define Quality Assurance as a continuous process of verifying or determining whether products or services meet or exceed customer expectations. This process considers design, development, production, and service. Your toolset for quality assurance should include evaluator accuracy, data processing, and report generation. Use Plan-Do-Check-Act (PDCA) as a four-stage cycle to help your project get from "problem faced" to "problem solved" while focusing on continuous improvement:

- **Plan**: Establish the objectives and processes that will allow you to deliver specific results and outputs.
- **Do:** Implement the process developed. Perform tasks as designed and provide training and guidance along the way.
- **Check:** Measure, monitor, and evaluate the process by testing it and comparing results against the planned objectives.
- **Act:** Analyze the differences to determine their cause. Make improvements to the process where necessary.
- **Improve:** Track individual processes with statistics on performance compared to stated objectives. Use this information to work with stakeholders, customers, and suppliers to improve interconnected processes and enhance overall performance.

Technical Proposal Rating Standards

When the government evaluates technical proposals, it identifies strengths, weaknesses, and deficiencies for each technical evaluation factor or sub-factor. The rating standards follow a risk level scale based on the evaluation panel's assessment ranging from Exceptional (E) to Acceptable (A) to Unacceptable (U). The following table lists typical technical proposal ratings and includes definitions and criteria.

TECHNICAL PROPOSAL RATING STANDARDS

RATING	DEFINITION AND CRITERIA
EXCEPTIONAL (E)	The proposal has exceptional merit and reflects an excellent approach which should clearly result in the superior attainment of all requirements and objectives. The proposed approach includes numerous substantial advantages, and essentially no disadvantages, and can be expected to result in outstanding performance. The solutions proposed are considered to reflect very low risk in that they are exceptionally clear and precise, fully supported, and demonstrate a complete understanding of the requirements. **RISK LEVEL: VERY LOW**
GOOD (G)	The proposal demonstrates a sound approach which is expected to meet all requirements and objectives. This approach includes substantial advantages, and a few relatively minor disadvantages, which collectively can be expected to result in better than satisfactory performance. The solutions proposed are considered to reflect low risk in that they are clear and precise, supported, and demonstrate a clear understanding of the requirements. **RISK LEVEL: LOW**
ACCEPTABLE (A)	The proposal demonstrates an approach which is capable of meeting all requirements and objectives. The approach has both advantages and disadvantages, although the disadvantages do not outweigh the advantages. The approach can be expected to result in satisfactory performance. The solutions proposed are considered to reflect moderate risk in that they are for the most part clear, precise, and supported, and demonstrate a general understanding of all the requirements. **RISK LEVEL: MODERATE**
MARGINAL (M)	The proposal demonstrates an approach which, while being capable of meeting all requirements and major objectives, may not meet some lesser objectives. Any advantages that exist in the approach are slightly outweighed by existing disadvantages. Collectively, the advantages and disadvantages pose an evident risk that the offeror

RATING	DEFINITION AND CRITERIA
	might fail to perform satisfactorily without significant government oversight or participation. The proposal either fails to address all risks or the proposed risk mitigation approach is not deemed to be sufficient to manage the risk. **RISK LEVEL: HIGH**
UNACCEPTABLE (U)	The proposal demonstrates an approach which will very likely not be capable of meeting all requirements and objectives. This approach has one or more substantial disadvantages. Collectively, the advantages and disadvantages are not likely to result in satisfactory performance. The solutions proposed are considered to reflect very high risk in that they lack any clarity or precision, are unsupported, or indicate a lack of understanding of the requirement. **RISK LEVEL: VERY HIGH.**

Key Takeaways from This Module

- The government evaluates the proposals it gets and decides which represent the "best value." Best value is not simply about price, but is a judgment concerning several factors including capability, capacity, past performance, and price.

- The technical aspects of a proposal are often more important than those involving price.

- Proposal evaluation is an assessment of the overall proposal and your ability to perform the prospective contract successfully. The technical evaluation of a proposal is made by technical specialists who are deliberately not given the offeror's proposed cost proposal. This ensures the evaluation is conducted strictly on technical merit.

- When developing a proposal, confine the text to essential matters; the quality of the information is significantly more important than the quantity.

- The government evaluates all proposals on the same non-price/cost factors: Technical Approach, Past Performance, Management Approach, Experience, and Quality Control Approach.

- When developing a technical proposal:
  - Include past performance to show that you have successfully completed projects that are similar to the one in the solicitation.
  - Create a high-level sketch of how the project will be managed, then drill down to specific tasks, timelines, and deliverables.
  - Develop a team that with the requisite experience to meet the requirements—this might require you to develop a strategic alliance or bid with a partner.
  - Use a quality assurance process that includes Plan, Do, Check, Act, and Improve.

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