



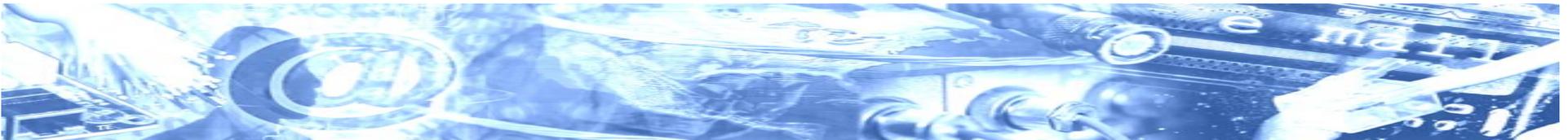
NATIONAL SMALL BUSINESS CONFERENCE

PANEL F:

Preparing for the Future

Changes to Government Acquisition Procedures / Policies

Moderator: Dwayne Junker, President, Antin Engineering, Inc.



NDIA NATIONAL SMALL BUSINESS CONFERENCE

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“Innovative solutions today for tomorrow’s success”



Overview

- **Performance-Based Services Contracting**
- **Service Acquisition Reform Act**
- **DFARS 237.1**
- **SBA Size Standards**



Performance-based contracting means—

- **Structuring all aspects of an acquisition around the purpose of the work to be performed**
- **Contract requirements are set forth in clear, specific, objective terms with measurable outcomes**

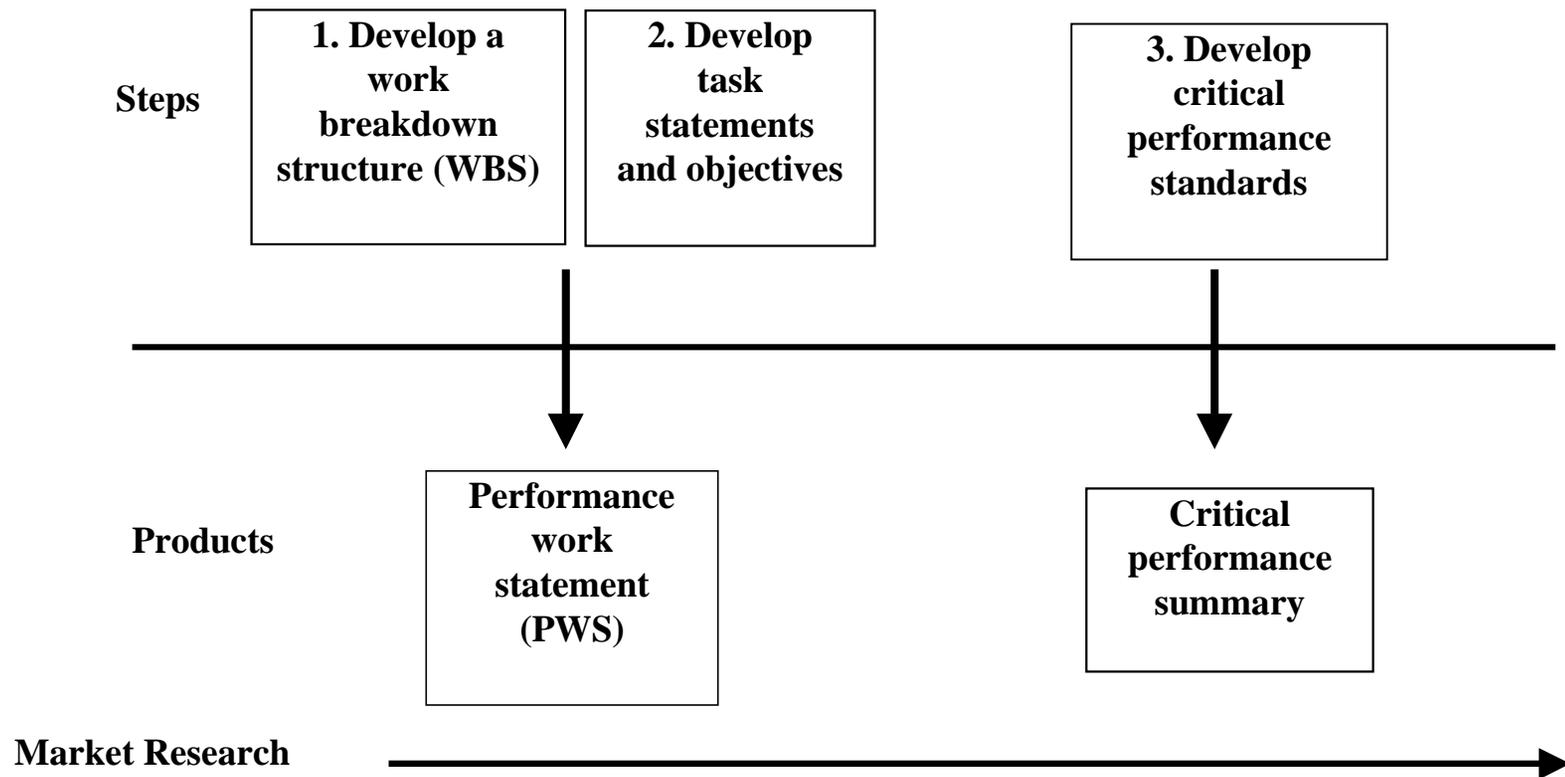


Federal Government Policy on PBSC

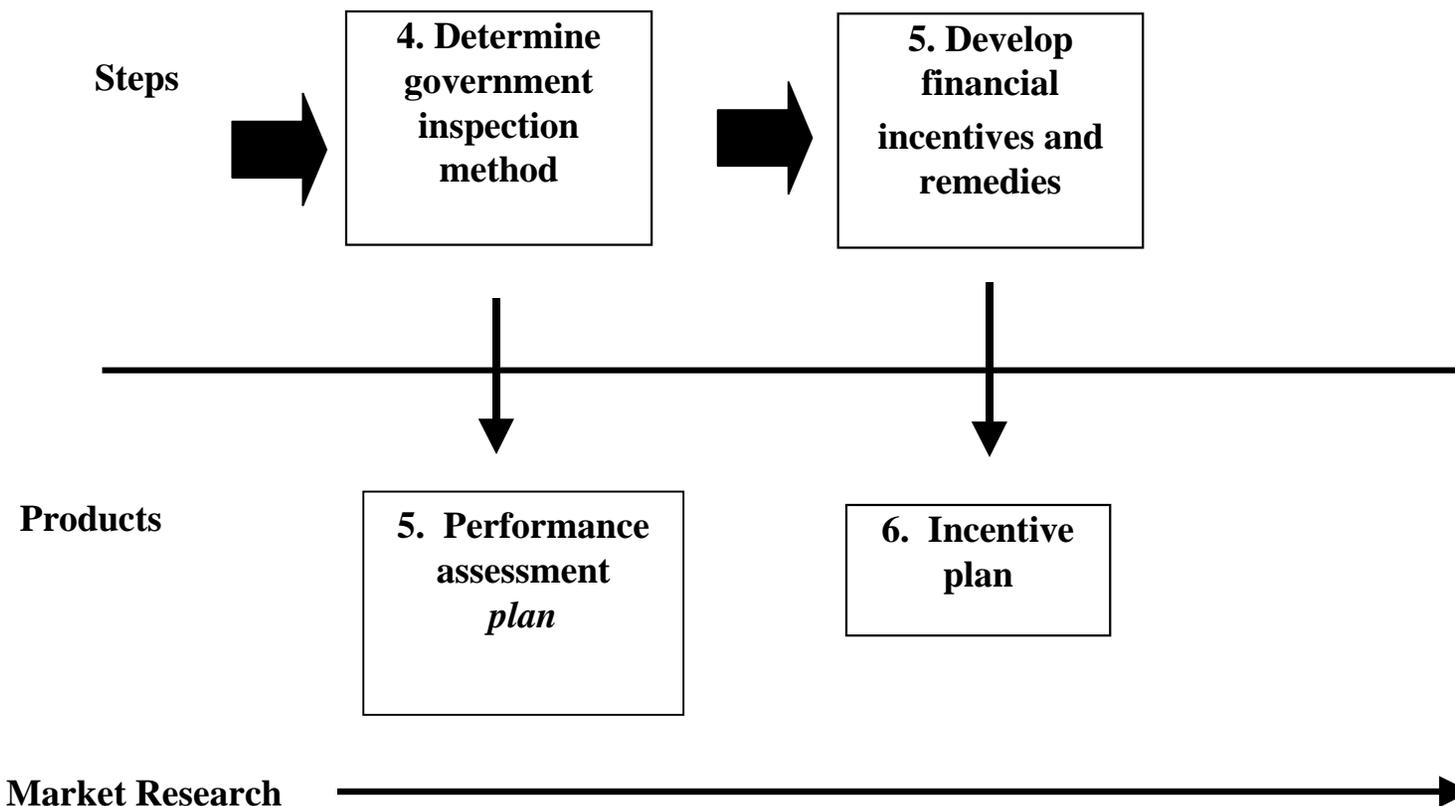
- **OFPP Policy Letter 91-2, *Service Contracting*, establishes PBSC as a strategy for acquiring services (April 1991)**
- **Government Performance and Results Act of 1993 (GPRA)**
- **Final FAR rule implementing OFPP Policy Letter 91-2 (August 1997)**
- **OMB Memorandum M-01-15 setting PBSC goals for FY2002 and FY2005**



Key Steps and Products In Performance-Based Acquisition



Keys Steps and Products in Performance-Based Acquisition (continued)



Statement of Objectives (SOO)

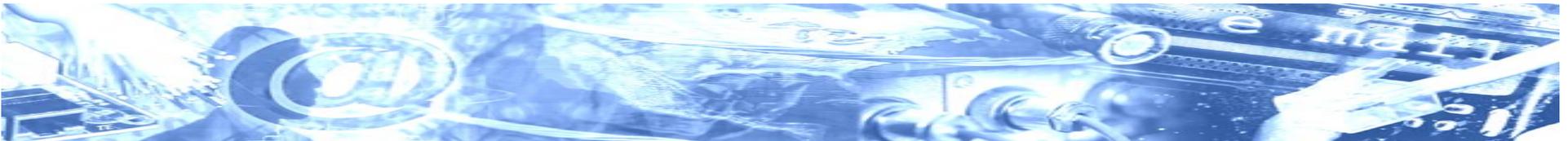
Provides offerors with the government's top-level objectives for the acquisition

- Used in lieu of a government-written work statement**
- Gives offerors flexibility to propose solutions that meet requirements but are tailored to their optimal technical/business approach**
- Promotes a “what we need” rather than a “do it this way” mentality**



SARA

- **Enacted as title 14 of the Fiscal Year 2004 National Defense Authorization Act**
- **May be cited as the “Services Acquisition Reform Act of 2003”**
- **Signed November 14, 2003 (P.L. 108-136)**



FAR /DFARS RULES

- **2004-004: Sec. 1431 and 1433. Incentives for use of performance-based contracting for services**
- **Interim rule to FAR Secretariat (2/20/04)**
- **DFARS 237.1 impact**
- **SBA Size Standards**



Summary

- **PBSC is a change in business processes**
 - **Objective is to achieve end result by change of focus from “how” to “what”**
 - **Mandated for all federal agencies**
 - **Resulting in dollar savings and efficiencies**
 - **A win-win for both parties**

SARA includes several key changes

DFARS 237.1 change and impact



Conclusion



Federal Technology Service

***Presentation to
NDIA Small Business Conference
July 2004***

Victoria Lillicrapp

Director, Navy/Marine Corps Programs

GSA/FTS/FEDSIM



PERFORMANCE-BASED SERVICES CONTRACTING

- **SOO vs. SOW vs. PWS - what's appropriate when?**
- **Establishing a robust acquisition team**
- **Establishing meaningful performance metrics**
- **The QASP – quality control vs. quality surveillance**
- **Incentives – they can be negative as well as positive**
- **Managing the culture shock**



BUNDLING

- **Bundling vs. consolidation**
- **Why the Government may decide to consolidate**
- **How the government affords fair opportunity to small businesses on large consolidated requirements contracts**



PROPOSED DFARS CHANGES

- **Section 801** – new procedures/authorizations required for DoD to use non-PBSCs or outside contracting shops
- **Section 803** – originally written to encourage fair opportunity; revised version requires GSA client support centers to pass DoD IG audit prior to starting work
- **Section 812** – establishes a total period of performance limit of 5 years on contracts and task orders
- **Section 815** – DoD cannot use an outside agency's vehicle if the agency charges a fee that exceeds 1% of the contract amount



8(a) STARS GWAC Contract

- **Streamlined Technology Acquisition Resources for Services replaces FAST program**
 - **Fully competed MAID/IQ set aside exclusively for 8(a) certified businesses awarded on 6/1/04 to 400+ industry partners**
 - **3 year base with 2 2-year options for a total of 7 years**
 - **\$15 Billion program ceiling with no individual contract ceiling**
 - **Direct orders up to \$3M; fair opportunity provided for orders over \$3M**
 - **FFP, T&M, and labor hour task types**
 - **8 functional areas with over 100 skill levels**
- **Replenish portfolio with many new 8(a)s during open season**



HUBZone GWAC Contract

– Historically Underutilized Business Zone

- Fully competed MAID/IQ set aside exclusively for SBA-certified HUBZone certified businesses awarded to 36 industry partners
- 2 year base with 3 1-year options for a total of 5 years
- \$2.5 Billion program ceiling with no individual contract ceiling
- Direct orders up to \$3M; fair opportunity provided for orders over \$3M
- FFP, T&M, and labor hour task types
- 7 functional areas with a maximum of 10 awards in each area (total of 68 awards)

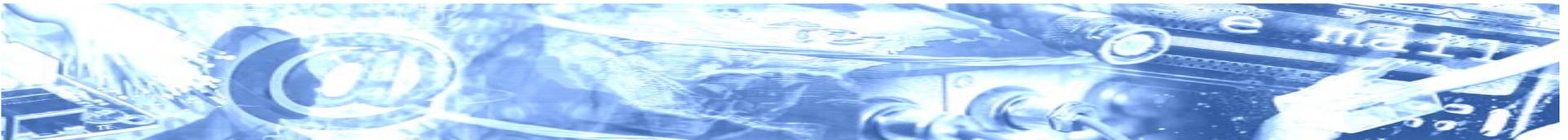


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www.gsa.gov/hubzone



Conclusion



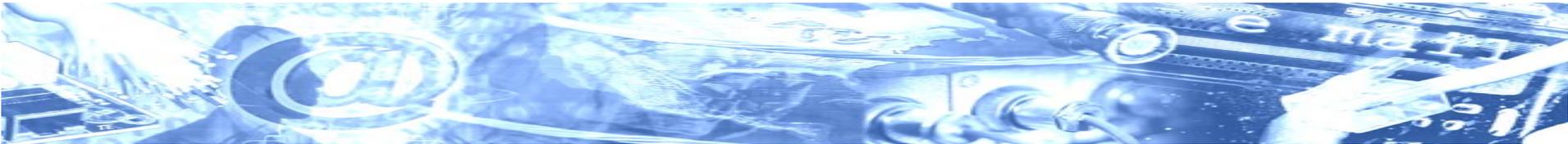
PBSA Industry Perspective

Helen E. Lipka, President and CEO
The Marlin Alliance, Inc

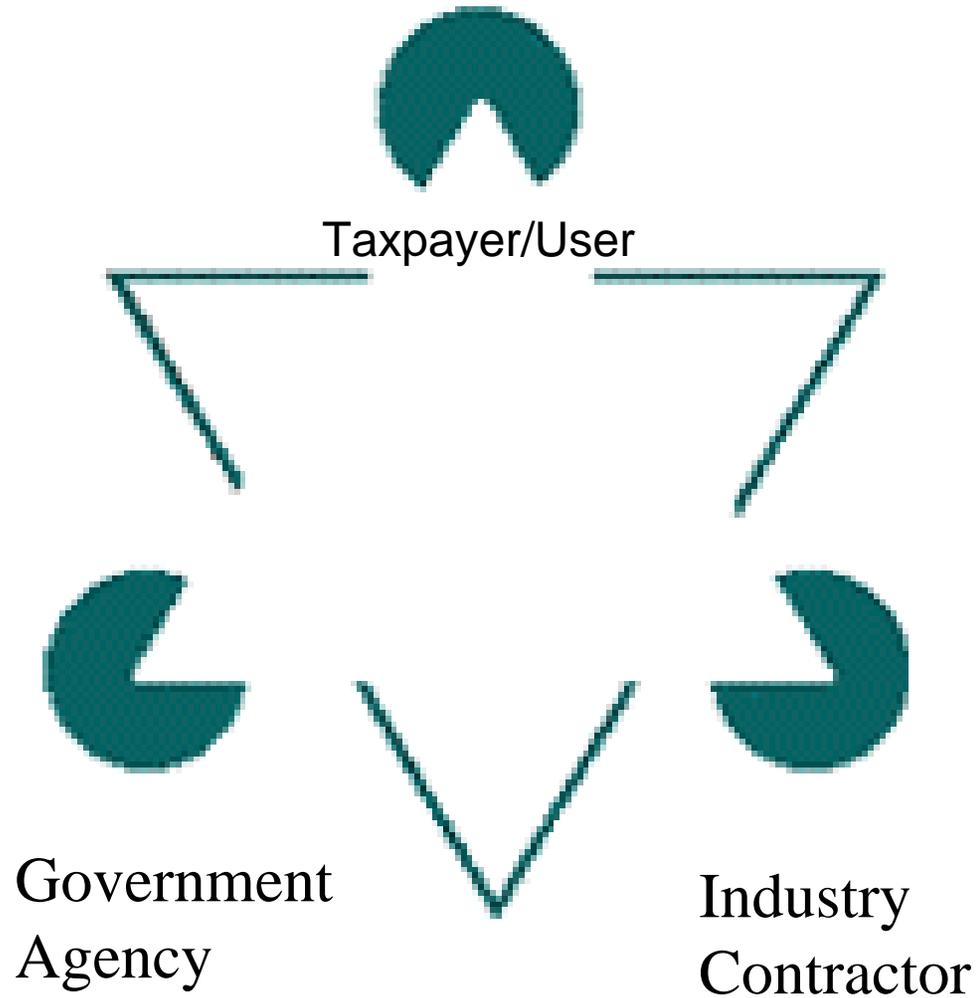


Creating Desired Results Together!





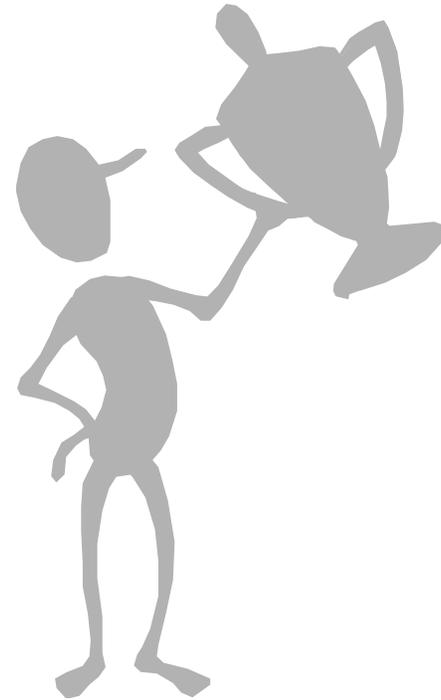
PBSA WIN-WIN-WIN



Key Challenges/Opportunities

Win the Contract

Make a Profit



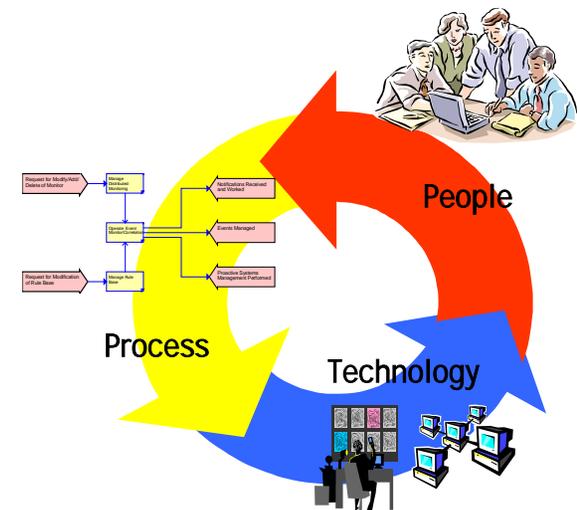
Understand the Work to be Done

- **Ensure your Proposal Communicates Your Understanding**
 - Include the “right” key personnel
 - Describe the work “process” in your solution
 - Provide project work breakdown schedule
 - Include a “concept of operations”
 - Include compliance matrix referencing requirements
- **Validate solution with trusted 3rd party early in proposal process**



Propose an Innovative Solution

- **Gather Current Process/Performance Information**
- **Identify Opportunities for Improvement**
 - **Cost Reductions**
 - **Increased Capacity**
 - **Higher Satisfaction**
- **Propose an Innovative Solution**
 - **Process Focus – Utilize Best Practice**
 - **Technology Enabled**
- **Develop a Business Case – ROI**

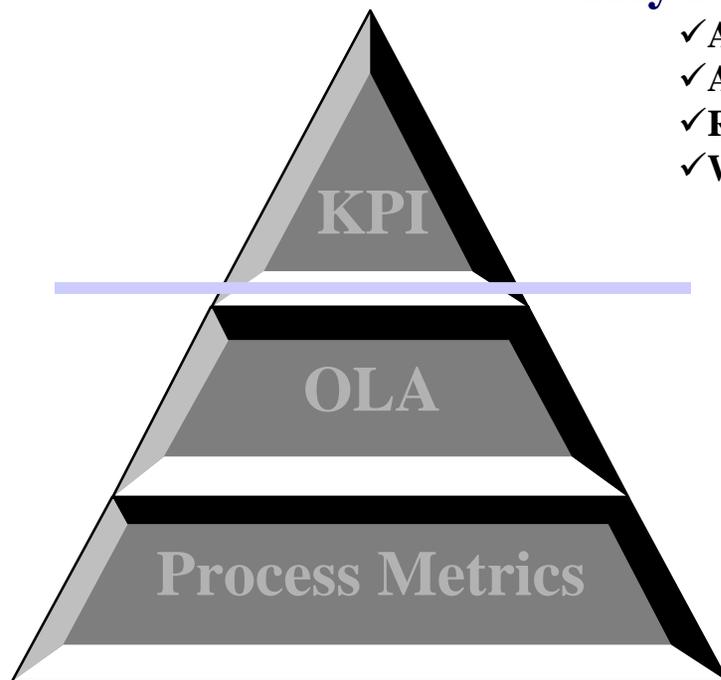


Managing The PBSA Environment

- **Maximize Rewards in PBSA Environment**
- **Manage and Report Performance**
 - **Define Performance Objectives**
 - **Identify Key Performance Indicators**
 - **Set Performance Standards**
 - **Measure and Report KPI Metrics**
 - **Develop Supporting Hierarchy of Metrics**
- **Establish a Continuous Improvement Plan**
- **Align Performance Standards to Award Fee Plan**



Supporting Metrics Hierarchy



Key Performance Indicators (KPI)

- ✓ Align with Organizational Vision
- ✓ Are Easily Quantified
- ✓ Routinely Reported and
- ✓ Widely Communicated

Operational Level Agreements (OLA)

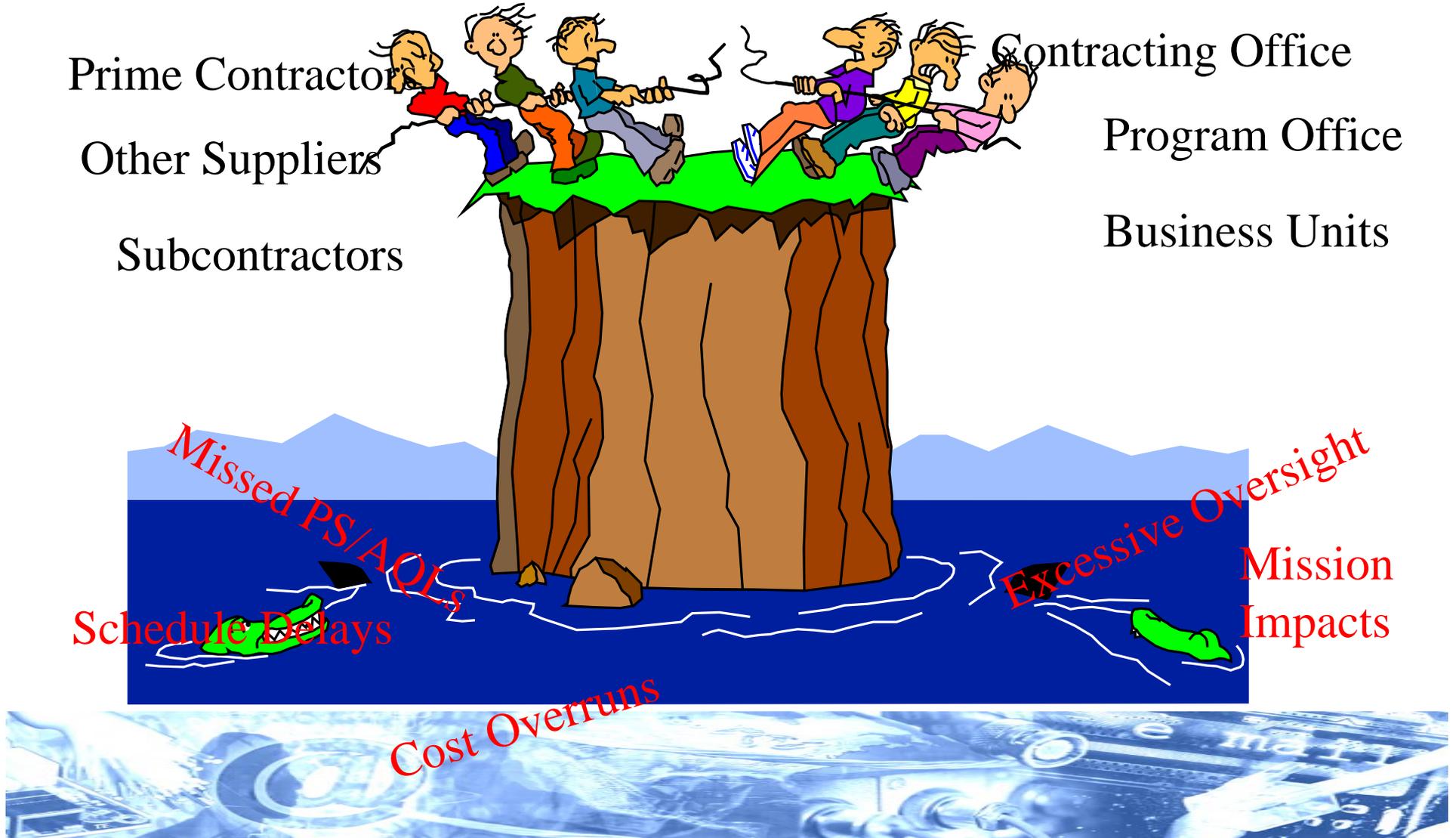
- ✓ Support SLA Attainment
- ✓ Manage Cross Organizational Hand Offs
- ✓ Monitor High Risk Transactions
- ✓ Identify Risks in Enterprise Wide Processes

Process Metrics

- ✓ Align with SLA and OLA
- ✓ Measure the Success of Key Processes
- ✓ Provide Information for Analysis
- ✓ (Root Cause, Trend, Pareto)
- ✓ Identify Candidates for Process Improvement



The Perennial Challenge - Teamwork



Summary Comments

- **PBSA is a Transformational Tool**
- **PBSA Represents Change**
 - **Change is Uncomfortable**
 - **Change Equates to Growth**
- **PBSA Encourages Innovation**
 - **Small Business Represents Innovation**
 - **Opens Opportunities for Small Business**
- **Early Adopters Win Big**



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Conclusion

