



***U.S. Army Contracting Command***



# **IMPROVED NERVE AGENT TREATMENT SYSTEM (INATS)**

**DRFP Overview and Proposal  
Preparation Information**



# Overview

- Contracting Officer Role
- INATS Timeline
- DRFP Overview
- Proposal Preparation
- Proposal Submission
- Mistakes to Avoid
- Questions
- References



# Contracting Officer's Role

- Support JPO-MITS
- Control all exchanges with offerors
- Ensure compliance with acquisition regulations and policies in the source selection process
- Safeguard against conflicts of interest
- Ensure offerors receive impartial, fair, and equitable treatment
- Ensure funds are available
- Review all evaluations and decisions
- Determine fair and reasonableness of proposed costs/prices
- Conduct Cost Realism Analysis
- Award Contract



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## **INATS RFP Timeline**

- Issue Draft RFP (Completed 9 Jan 2013)
- Conduct Pre-Solicitation Conference / Industry Day (8 Feb 2013)
- Offeror Questions for Draft RFP Received NLT 8 Feb 2013
- Release Final RFP (~ 3QFY13)
- Solicitation Questions 3 Weeks Post Release
- Receive Written Proposals (~ 3QFY13)



## **INATS RFP Timeline (cont.)**

- Conduct Responsive / Non-Responsive Proposal Assessment
- SSEB Evaluate Proposals and Establish Competitive Range
- Present Findings to Source Selection Authority (SSA)
- Notify Offerors of Competitive Range Determination (If Required)
- Conduct Negotiations (If Required)
- Revise / Reaffirm Competitive Range (If Required)



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## **INATS RFP Timeline (cont.)**

- Receive Final Proposal Revisions (If Required)
- Conduct Final Evaluation (If Required)
- Present Recommendations to SSA
- SSA Decision
- Contract Award (~ 1QFY14)



# DRFP Overview - Acquisition Strategy

- Full and Open Competition
- FAR Part 15, Contracting by Negotiation
  - Impartial and comprehensive evaluation of offerors' proposals, leading to selection of the proposal representing the best value to the Government
- Best Value to the Government
  - The Government Reserves the Right to Award to an Offeror whose proposal is neither the lowest price or most highly rated, but which is determined to provide the best overall value to the Government
- All Government regulations used to develop solicitations and contracts are public information (see references at end of slides)



# DRFP Overview – CLINS

- **Structure**
- CLIN 0001 Development and FDA Licensure – Cost Plus Incentive Fee (CPIF)
- CLIN 0002 Earned Value Management System (EVM) Implementation – Cost Plus Fixed Fee (CPFF)
- CLIN 0003 Technical Reporting – Cost Plus Fixed Fee (CPFF)
- CLIN 0004 Program Reporting – Cost Plus Fixed Fee (CPFF)
- CLIN 0005 Technical Data Package – Firm Fixed Price (FFP)
- CLIN 0006 Conformance Lots - Firm Fixed Price (FFP)
- CLINS 0007- 0010 Production - Firm Fixed Price (FFP)



# Contract Types

- Cost Plus Incentive Fee (CPIF)
  - Used to motivate efforts and discourage inefficiency and waste, and to Incentivize cost, performance, schedule
  - Includes an initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs
  - Government pays allowable, allocable and reasonable incurred costs
  - Contractor must have an Approved Accounting System



## **Contract Types**

- **Cost Plus Fixed Fee (CPFF)**
  - A cost-reimbursement contract that includes a negotiated fee that is fixed at the inception of the contract.
  - Government pays allowable, allocable and reasonable incurred costs
  - Adequate Accounting System required
  - FAR 15.404-4 limits fee to 15%
- **Firm Fixed Price (FFP)**
  - A firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.
  - Contractor fully responsible for all costs
  - Can be incentivized



# DRFP Overview – Instructions and Evaluation

- Understanding sections L and M is critical to the proposal development process.
  - Section L provides the instructions on how to submit your proposal.
  - Section M explains how the Government will evaluate the proposal.



# DRFP Overview – Instructions and Evaluation

- Section L, Instructions, Conditions, and Notices to Bidders
  - Follow all Instructions and Submit all Documents as Necessary!
  - Review clauses incorporated by reference and in full text
  - Review all information in the Information Reading Room
  - Be cognizant of Q/A closing date
  - Do not make assumptions



# DRFP Overview – Section L

## Instructions to Offerors

- Pages will be counted and pages in excess of the requirements will be removed and will not be evaluated
- In event of discrepancies, hard copy volume takes precedence over CD Version
- All Volumes are due on the RFP closing date at the specified time and location. **NO EXCEPTIONS!!**

## Responsiveness Assessment:

- Evaluated immediately after receipt of proposals
- Non-Responsive Offerors will be notified

VOLUME	VOLUME TITLE	COPIES	PAGE LIMIT
I	Executive Summary	3 Hard3 CD/DVD ROMs	10
II	Technical Technical Data Technical Approach Regulatory Compliance	3 Hard3 CD/DVD ROMs	100
III	Technical Program Management	3 Hard3 CD/DVD ROMs	50
IV	Past Performance	2 Hard1 CD/DVD ROMs	No limit
V	Small Business Participation Plan	3 Hard3 CD/DVD ROMs	No Limit
VI	Cost/Price and Contract Documentation	3 Hard 3 CD/DVD ROMs	50
	Subcontractor proposals (10 page maximum per proposal )	3 Hard 3 CD/DVD ROMs	10 Pages per subcontractor proposal



## **DRFP Overview - Section M**

Technical > Past Performance = Cost > Small Business  
Participation Plan

- **Factor 1 Technical** – All Subfactors are equal
  - Subfactor 1: Technical Data
  - Subfactor 2: Technical Approach (Production/Delivery of FDA approved nerve agent therapeutic)
  - Subfactor 3: Regulatory Compliance/Approach
  - Subfactor 4: Program Management



## **DRFP Overview - Section M (Cont.)**

- **Factor 2 Past Performance**
  - Relevance
  - Performance Confidence Assessment
- **Factor 3 Small Business Participation Plan**
  - Section L, Attachment D
- **Factor 4 Cost – Evaluated but not rated**
  - Reasonable
  - Realistic
  - Complete



# DRFP Overview - Information Reading Room

## Access to the Information Reading Room

- The Information Reading Room is accessible at:  
[http://www3.natick.army.mil/inats\\_bidlib.aspx](http://www3.natick.army.mil/inats_bidlib.aspx)
- Access will be granted upon completion of registration and approved NDA

## Contents of the Information Reading Room

- Government Furnished Information in the form of a Technical Data Package covering the development of MMB4-DMS enhanced formulation through Phase 1 Clinical Trial
- Pertinent open source literature



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# PROPOSAL PREPARATION



# Proposal Preparation - General

- Model the templates provided in the Information Reading Room
- Proposals must conform to Section L criteria, map to the SOO, and be complete, or they may not be considered for evaluation
- Demonstrate a thorough understanding of requirements along with the inherent risks, and demonstrate ability to devote resources to a practical solution to meet the requirements



## **Proposal Preparation- General (Cont.)**

- Support your statements with facts, analysis, and substantiating data to illustrate that your approach is realistic and reasonable
- Provide clear and concise descriptions / justifications
- Use the evaluation criteria to know where to place emphasis
- Can an evaluator quickly find what he/she needs?
  - Is it clear? Well organized?



## **Proposal Preparation General (Cont.)**

- Substantiate, do not simply make claims
  - Avoid making statements such as "we understand," "we are committed," "we are capable," "our experience ensures," etc.
  - Show how experience is applied, list results and benefits, demonstrate capability levels, and provide a basis with substantiating data
  - The Government has no interest in marketing information in response to the RFP. Do not submit this type of information, it will not be considered!



## Proposal Preparation - General (Cont.)

- Hold a Red Team review of the Proposal to Ensure
  - You have said what you intended
  - Your proposal is complete; no holes
  - SOW is clear, concise, and responds to all objectives
  - Rate your own proposal by people who did not contribute to its writing – Use Section M Criteria
  - Cost Proposals must provide details of cost elements. Enough to prove that the costs being proposed are reasonable, realistic, and complete
    - Did you provide a descriptions of your estimating techniques and allocation methods that correlate in sufficient depth with the SOO, SOW, CWBS, IMS, and CLINs?



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# **COST PROPOSAL PREPARATION**



## Elements of Cost

- **Labor:** Include the categories and rates of each. If costs are escalated, ensure that you explain how... Did you use Bureau of Labor Statistics Employment Cost Index for Escalation, or another index?



## Elements of Cost (cont.)

- **Materials:** Material is property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item.
  - Provide a Bill of Materials, quotes, catalogue pages or internet websites (the Government WILL check to validate). Include any discounts obtained from suppliers.



## Elements of Cost (cont.)

- **Equipment:**
- means a tangible item that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract.
- Contractors are ordinarily required to furnish all property and facilities necessary to perform Government contracts. The benefit must outweigh the cost of administration and disposal.
- Title vests in the Government for all property acquired or fabricated by the contractor in accordance with specific requirements for passage of title in the contract
- Provide clear documentation (showing benefit), quotes etc. Include any discounts obtained



## **Elements of Cost (cont.)**

- **Subcontractors (and consultants)**
  - Provide supporting documentation (i.e. quotes, statements of work, qualifications, agreements). Include any Discounts obtained
  - Prime Contractor is required to conduct appropriate cost or price analysis to establish reasonableness of proposed subcontract prices and include with proposal
  - Show the type of subcontract (FFP, Cost, T&M) and how that benefits the Government (reduces risk in terms of cost and schedule)



## **Elements of Cost (cont.)**

- **Fee/Profit**
  - Experimental, developmental, or research work performed under a cost-plus-fixed-fee contract is limited to 15% by regulation. CPIF elements may contain restrictions (NTE) in final solicitation
  - If cost analysis is conducted the DoD uses a structured approach to Profit analysis (DD 1547 Weighted Guidelines, (see DFARS 215.404-70))



## Elements of Cost (cont)

- Fee/Profit (cont)

- *Analysis factors*

- *Contractor Effort - contracts requiring a high degree of professional and managerial skill*
    - *Contractor Cost Risk – Based on type of contract, Cost reimbursable are lowest risk to the contractor*
    - *Federal Socioeconomic programs - unusual initiative in support of socioeconomic programs*
    - *Capital investments - made investments that will facilitate efficient and economical contract performance*
    - *Cost-Control and other past accomplishments - ability to perform similar tasks effectively and economically*
    - *Independent development - undertaken relevant independent development without Government assistance*



## **Sole Source Justifications**

- If materials, equipment and subcontractors (including consultants) are being proposed on a sole source basis (in other words you did not go out with a request for proposal and or did not receive more than one response) you must provide justification and show how you determined these costs/prices fair and reasonable and that they are responsible (See FAR part 9).



## Remember

- Responsibility for providing adequate supporting data and attachments lies with the offeror
- Offeror bears the burden of proof in establishing reasonableness of proposed costs/prices
- Back up statements with data – quality not quantity



# RFP Cost/Price Evaluation (Factor 4)

- Reasonableness
  - Competition
  - What a prudent person would pay
  - Cost or Price Analysis
- Realism
  - Reflect clear understanding of requirements
  - Consistent/correlate with SOO, SOW, CWBS, IMS and CLINS
  - Government will develop a most probable cost
- Completeness
  - Submission of all supporting documentation in sufficient detail and depth
  - Modeled after worksheets provided by the Government



# Cost Proposal Analysis Techniques

- Price Analysis
- Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit
  - Price competition – 2 or more quotations
  - Historical prices paid
  - Other 15.404-1 methods the Contracting Officer deems appropriate for circumstances applicable to the acquisition
  - Must evaluate reasonableness
  - Cost analysis required when fair and reasonable price cannot be determined through price analysis
  - Cost analysis required when certified cost and pricing data is required



# Cost Proposal Analysis Techniques

- Cost Analysis
- Cost analysis is the review and evaluation of any of the separate cost elements and profit or fee in an offeror's or contractor's proposal as needed to determine a fair and reasonable price or to determine cost realism
  - Necessary and reasonable
  - Current and historical cost and pricing data
  - Validated parametric models or cost estimating relationships
  - Audited or negotiated indirect cost rates, labor rates, or other factors



# Cost Proposal Analysis Techniques

- Cost Realism Analysis
  - Determines that the cost proposed is Realistic for the work to be performed, Reflects a clear understanding of the requirements and is consistent with performance and methods proposed
  - End result is a Most Probable Cost, which for purposes of this analysis only, adjusts the offeror's proposed cost to reflect what it would cost based on the proposed technical approach and the work to be accomplished by the SOW



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# **PROPOSAL SUBMISSION**



## **Proposal Submission – Don't Forget!**

- Sign and Submit Solicitation Cover Sheet!
- Complete Sections B Through K as Required!
- Submit Proposals In Accordance With Section L Of The RFP!
- Anticipate Turn-Around Of 45 Days For Proposal Submission
- Proposals Must Be Submitted Prior To The Date And Time Specified!



## **Mistakes To Avoid**

- Failure to read the RFP - follow instructions
- Failure to submit response on time
- Failure to clearly understand the evaluation factors
  - Thus failing to base responses correctly
- Failure to understand the requirements of the RFP
- Any Offeror who submits an incomplete package may be considered unacceptable and could be eliminated from further competition
- Failure to track Past Performance Questionnaire



# Mistakes To Avoid

- Non-conformance with the instructions in the RFP may result in an unfavorable proposal evaluation
- Unrealistic/Incomplete Cost/Price Proposal
  - Too low or Too high (failure to understand the requirements)
  - Unsupported costs proposed (no quotes provided or rationale as to how the estimate was developed)



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# Questions ?



# References

## Federal Acquisitions Regulations and Supplements

- FAR: <http://farsite.hill.af.mil/> or <http://acquisition.gov/far/index.html>
- DFARS: <http://farsite.hill.af.mil/vfdfara.htm> or <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>
- AFARS: <http://farsite.hill.af.mil/vfafara.htm>
- Defense Contract Audit Agency <http://www.dcaa.mil/>
  - Information for Contractors
  - Pre-Award Survey of Prospective Contractor Accounting System Checklist
- System for Award Management (SAM): <https://www.sam.gov/portal/public/SAM/>