

---

# Position to Win: The Art of Minimizing Money Left on the Table

## APMP Florida June Membership Meeting

Christine Campbell

6 June 2019

# What is Money Left on the Table?



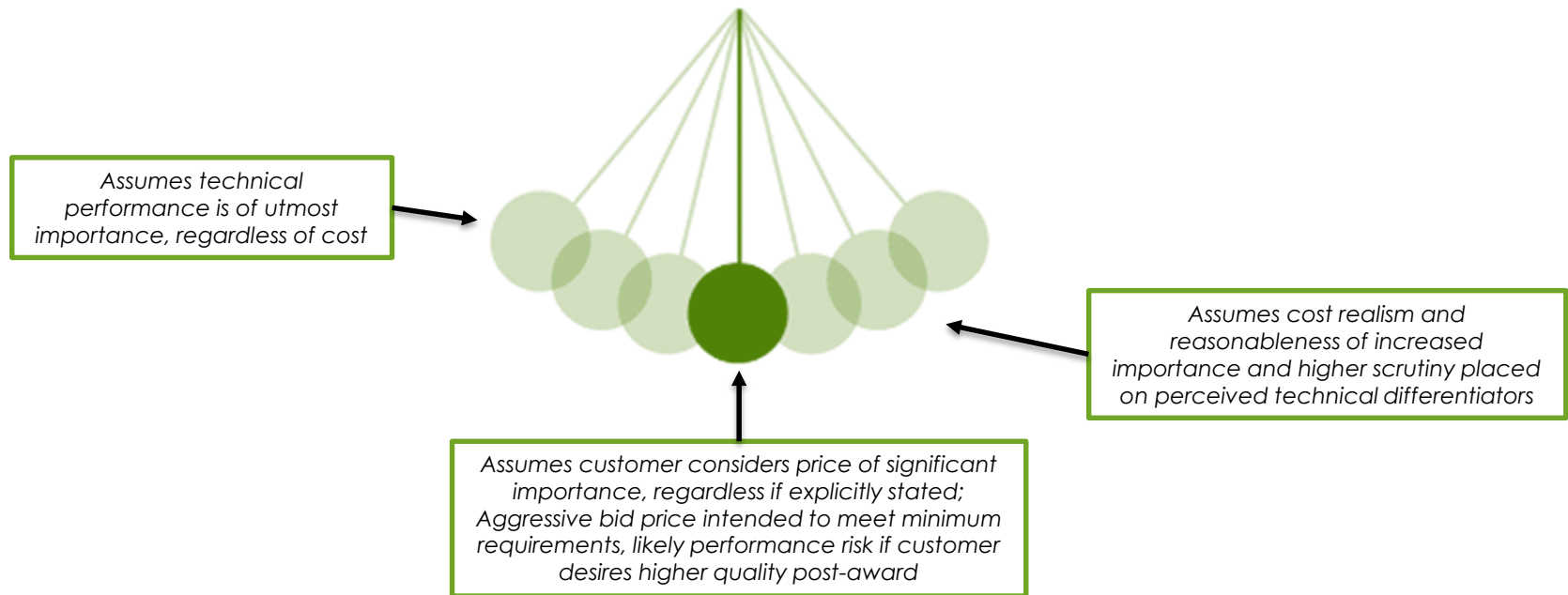
# Discussion Framework

- The Behavior
  - Review GAO bid protest decision case studies from 3 different points in time between 2002 and 2017
- The Result
  - Discuss Best Value award trends and the evolution of technical/price tradeoff evaluations
- The Future
  - Provide recommendations to inform future Bid & Proposal efforts

# The Behavior

## Approach & Methodology

- Collect sample selection of GAO bid protest decisions
- Analyze technical adjectival evaluation ratings and cost/price variances across offerors
- Evaluate customer willingness to pay price premiums for technically superior bids



**Where does your customer fall on the pendulum?**

# 2002 Example

## GAO Bid Protest

- GAO bid protest decision docket, December 2002
  - Protest of agency's cost/technical tradeoff is denied, where the solicitation stated that technical merit was more important than cost and the source selection authority reasonably found, with articulated reasons, that the awardee's technical merit outweighed the protester's cost advantage
  - Agency reasonably adjusted protester's proposed costs upward in the competition for a cost-reimbursement contract to account for evaluated understaffing and also reasonably determined in the technical evaluation that the understaffing was a weakness that adversely reflected upon the protester's understanding

# 2002 Example

## Technical Evaluation

- Offeror A scores slightly higher than Offeror B
  - Offeror A scores 1 grade higher on Technical Approach
  - Offeror B scores 1 grade higher on Management Approach
  - Overall, technical ratings appear essentially equal

### Technical Evaluation

Technical Approach

Management Approach

Past Performance

Small Business Utilization

Offeror A	Offeror B
Rating	Rating
Excellent	Good+
Good+	Excellent
Low Risk	Low Risk
Excellent	Excellent

# 2002 Example

## Price Evaluation

- Offeror B is the lowest on both proposed and evaluated cost
  - Offeror A proposed cost 213% higher than offeror B
  - Offeror A evaluated cost 79% higher than offeror B

Price Evaluation	Offeror A	Offeror B
	\$M	\$M
<b>Proposed Cost</b>	\$163.9	\$52.4
<b>Evaluated Cost</b>	\$163.9	\$91.4
<i>Variance to Min</i>		
<i>Proposed Cost</i>	<b>212.8%</b>	<b>0.0%</b>
<i>Evaluated Cost</i>	<b>79.3%</b>	<b>0.0%</b>

# 2002 Example

## Award

- Offeror A awarded contract
  - Results show 79% price premium paid for less than 1 technical grade superior proposal

	Offeror A	Offeror B
Non-Cost Ranking	1	2
Cost Ranking	2	1
Non-Cost Weight	98%	98%
Cost Weight	2%	2%
Overall Score %	93.0%	92.0%
	<b>WINNER</b>	



# 2012 Example

## GAO Bid Protest

- GAO bid protest decision docket, December 2012
  - Protest challenging agency's evaluation of the protester's and awardee's proposals under a technical approach factor is denied where the evaluation was reasonable and consistent with the stated evaluation criterion
  - The protester (former incumbent) complains that the agency unreasonably assigned the same ratings to it and the awardee's proposals under the management plan/execution of contract requirements and the corporate support/facilities subfactors

# 2012 Example

## Technical Evaluation

- The former contract incumbent and subsequent awardee scored equal on technical evaluation
- The awardee is a Small Business

Technical Evaluation	Incumbent	Awardee
	Rating	Rating
Technical Approach	Exceptional	Exceptional
Personnel	Exceptional	Exceptional
Past Performance	Exceptional	Exceptional
Small Business Plan	Acceptable	NA

# 2012 Example

## Price Evaluation

- The customer's estimate for the contract was \$110.1M
  - The awardee's price was 28% lower than the customer's estimated price for the contract
  - The former incumbent's price was 10% lower than the customer's estimated price for the contract

Price Evaluation	Incumbent	Awardee
	\$M	\$M
<b>Proposed Cost</b>	\$100.4	\$77.4
<b>Evaluated Cost</b>	\$99.2	\$79.2
<b><i>Variance to Min</i></b>		
<b><i>Proposed Cost</i></b>	<b>29.7%</b>	<b>0.0%</b>
<b><i>Evaluated Cost</i></b>	<b>25.3%</b>	<b>0.0%</b>

# 2012 Example

## Award

- All else considered equal, lowest price wins

	Incumbent	Awardee
Non-Cost Ranking	1	1
Cost Ranking	2	1
		<b>WINNER</b>

# 2017 Example

## GAO Bid Protest

- GAO Protest Decision Docket, May 2017
  - Protest challenging agency's evaluation of proposals and source selection decision is denied where the record shows that the agency's evaluation and selection decision were reasonable and consistent with the terms of the solicitation
  - The protester challenges the agency's evaluation of proposals and the selection decision

# 2017 Example

## Technical Evaluation

- Offeror B scores 1 grade higher on Technical Approach
- Offeror A scores 1 grade higher on Management Approach
- Overall, technical ratings are equal

Technical Evaluation	Offeror A	Offeror B
	Rating	Rating
Technical Approach	Acceptable	Good
Management Approach	Good	Acceptable
Key Personnel/Staffing Approach	Acceptable	Acceptable
Corporate Experience	Acceptable	Acceptable
<b>Overall</b>	<b>Acceptable</b>	<b>Acceptable</b>

# 2017 Example

## Price Evaluation

- Offeror B price 0.2% higher than Offeror A

Price Evaluation	Offeror A	Offeror B
	\$M	\$M
Proposed Price	\$191.0	\$191.4
<i>Variance to Min Proposed Price</i>	<b>0.0%</b>	<b>0.2%</b>

# 2017 Example

## Award

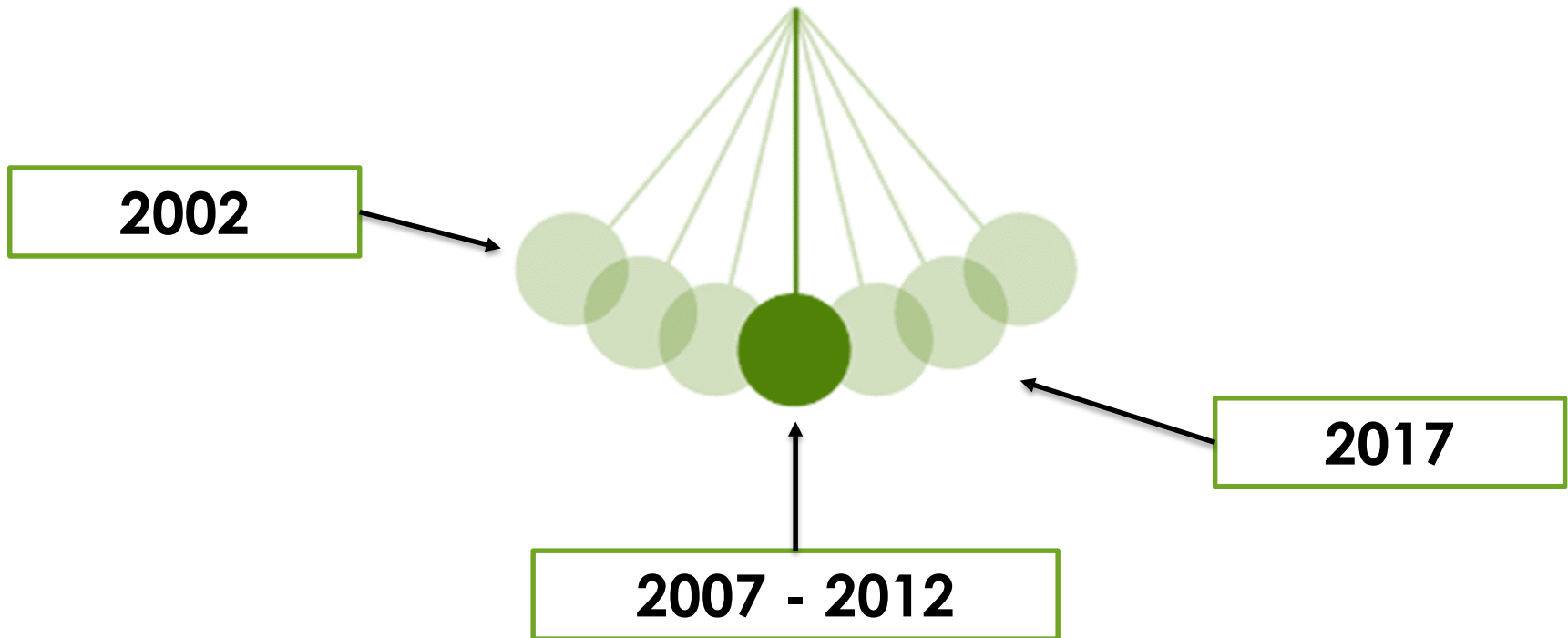
- Offeror B awarded contract
  - Results show 0.2% price premium paid for less than 1 technical grade superior proposal

	Offeror A	Offeror B
Non-Cost Ranking	1	1
Cost Ranking	1	2
		<b>WINNER</b>



# The Result

- Shows customer buying behavior is continuously evolving
- It is important to understand where your customer mindset lies on the pendulum in order to better inform your price decisions on future B&P efforts



*Where does your customer fall on the pendulum?*

# The Future

Recommendations to inform future B&P efforts

# The Future

## Prepare Win/Loss Analysis

- Gather all prior debriefs on hand for target customer, competitors, and capability
  - Always request customer debrief, even for wins
- Collect all relevant customer information
  - Awarding agency, contracting office, end user and source selection board
  - Section M basis of award, evaluation criteria and relative importance of evaluation factors
- Compare technical score and bid price to successful offeror
  - Calculate technical and price variance
    - Ex. blue vs. purple adjectival rating = 1 tech grade variance
    - Ex. \$105M vs. \$100M bid price = 5%
- Document all customer identified strengths and weaknesses

# The Future

## Interpret Win/Loss Analysis

- Ask
  - Did the customer award to the lowest price offer, highest technical rated or both – lowest price and highest technical offer?
  - How accurate was our assessment of the competitive landscape? Did we model the competitors accurately? How competitive was our bid price?
  - Did we win/lose on price, technical or both? Is this consistent with historical customer and competitive outcomes?

# The Future

## Use Win/Loss Analysis

- Understand where your customer and competitors fall on the best value tradeoff pendulum
  - Complete best value scorecard with non-cost and cost weightings consistent with your understanding of the customer and competitive landscape
    - Weightings for non-cost/cost factors are subjective and likely to vary across by customer, industry and capability
- Use win/loss analysis to carry forward lessons learned
  - Use win/loss analysis to identify key strengths and weaknesses that proved most/least successful on past bids
    - Repeat the successful
    - Eliminate the unsuccessful



**Questions?**

# Christine Campbell

301/845-7300

CCampbell@RichterAndCompany.com

Richter & Company  
Everedy Square  
6 North East Street, Suite 203  
Frederick, MD 21701

[www.RichterAndCompany.com](http://www.RichterAndCompany.com)





Everedy Square, 6 North East Street, Ste 203, Frederick, MD 21701  
**301-845-7300 | [RichterAndCompany.com](http://RichterAndCompany.com)**