

AN INSIDE LOOK AT HOW GOVERNMENT PROCUREMENT DECISIONS ARE MADE

Federal contractors often call me after they see a solicitation posted and ask, “What were they thinking? How did they come up with this approach? What does this strategy mean for me and my chances of winning a new government contract?”

As someone with more than 30 years in acquisition roles with the federal government, I’ve outlined below the issues the government must consider before publishing a solicitation.

For ease of understanding, let’s use the example of a recently published US Immigration and Customs Enforcement [Request for Information \(RFI\) #HSICE-19-12](#) for Agile Software Development Contracting Strategies. The government sought input from interested sources on potential procurement approaches.

The government will use the responses to the RFI to develop the procurement strategy for this requirement. Next, what appears in the Request for Proposal is the result of the careful analysis of the responses, coupled with the decisions made by the program office as they answer these questions:

1. *“Have you bought this before? If so, who is the current vendor? If not, how will you define the requirement?”*
2. *“What is the estimated cost or price of the requirement? Do you have funding identified for this requirement?”*
3. *“Do you expect this requirement to continue in the future, or does it have a defined end date?”*

All answers to these questions provide key input to the procurement decisions that are made prior to publishing a requirement such as:

1. *Should this be competitive or non-competitive? – Is there a legally defensible argument for the incumbent to continue providing the goods or services? For*

example, most (more than 75%) Department of Homeland Security procurements are eligible for competition.

2. Is this requirement a small business set-aside or unrestricted? – *Was the previous requirement set aside for small businesses?* If so, it is almost certain this requirement would also be a small business solicitation. *Was the previous contract successful?* If not, the follow-on might have a chance of being unrestricted.
3. *What is the cost estimate for the requirement?* The estimated size of the procurement impacts the approach. There are dollar thresholds requiring higher level approvals for the procurement approach. The larger the procurement, the more oversight and scrutiny applied.
4. *Are there other factors in addition to price that would affect the award decision?* Is this a “Best Value” or “Lowest-Priced Technically Acceptable” evaluation?
5. *What procurement vehicle should be used?* GSA Schedules, OASIS, MOBIS, NASA SEWP and Department of Homeland Security (DHS) Strategic Sourcing vehicles are all available to contracting offices. All have advantages and disadvantages. DHS recently announced changes to its approach to Information Technology procurements, as it pivots away from the expiring EAGLE and EAGLE II vehicles. Attention should be paid to the vehicles available to the incumbent if applicable.
6. *What type of contract is appropriate for this requirement?* There are many types of contracts available, although fixed price contracts are prevalent for commercial items, or variable quantity at a fixed unit cost. In this procurement, the government must decide if this will be a single award or multiple award.
7. *Should the contract have options for increased quantities or continued services?* Most requirements for services for federal agencies include options for outyear performance.

Often, crucial procurement decisions must be made without enough time to fully evaluate the need or market. Industry input can be instrumental in making some of those decisions, and hopefully, we are moving towards an environment where that input is encouraged.

When considering whether to pursue an opportunity it is critical for any company to understand the environment that gave rise to the requirement. [A careful examination](#) of the solicitation and supporting documentation can help make that determination more informed.