

USGIF NGA Advisory Working Group (NAWG)
 Mock Acquisition Program
 Baseline Event
 10 November 2016

The NGA / Industry Mock Acquisition Program (NIMAP) is an idea conceived by the NGA Advisory Working Group (NAWG) to increase transparency between industry and NGA activities throughout the contract procurement and acquisition process. The NIMAP allows stakeholders to closely and directly observe, share, and discuss processes and experiences during a notional (mock event) scenario based acquisition cycle. The objectives of the NIMAP is the harmonization of NGA and industry actions, attitudes, and strategies associated with the government’s acquisition and contracting mission.

The NAWG and NGA quickly realized that each had a prerequisite for a fundamental understanding of each other’s mutual viewpoints and processes before an actual mock acquisition event could be held. The parties agreed that a jointly attended "baseline event(s)" would be required to build this foundation. As it turns out, the Baseline event itself revealed many gaps and potential ways forward to achieve the NIMAP objective.

The NIMAP Baseline event was held at the USGIF headquarters in Herndon, Virginia following several months of intense preparation by industry (USGIF/NAWG) and NGA (OCS, CAE, and Industry Innovation Advocacy). USGIF hosted the even and, along with contributions from NGA, funded the related expenses associated with the event moderator. By most accounts, this industry / government dialogue is the first of its kind in DoD and IC.

As a reminder, this event was one of the key actions that came out of the NAWG’s first year findings related to key procurement and acquisition topics: (1) clarity and quality, (2) communications, (3) business size, and (4) innovation. The final findings report was distributed earlier this year and can be made available upon request.

The event lasted about 6 hours with five key panelists from each party (NGA and Industry) sitting across from one another in a large conference room. Observers from each party sat in the wings to take notes, record observations, etc.

The panel and participants included various levels and roles within industry and government. Regardless of experience levels, each provided a unique and necessary caliber of perspective and understanding.

INDUSTRY	GOVERNMENT
Jane Mardis (Innovation) – BD	Bill Young (DD/CAE) – Acq., PM
Howard Weitzner (Clarity/Quality)– BD, PM, Costs	Regina Jennings (DD/OCS) - KO, PM
Pete Hanson (Business Size) – BD and PM	Mike Halston (CPM) – Portfolio, PM

INDUSTRY	GOVERNMENT
Fred Turman (Clarity Quality) – BD, PM Govt exp.	Mike Geggus – D Industry Liaison
Don Bergeson (Clarity/Quality)- BD, PM	Daniel Takane – CAE/PM
Renard Paulin (Bus Size) – BD	Scott Stallsmith - OCS
Bob Gajda (Comms) – BD, PM, Costs, Govt Exp.	Angelo Pappalaardo - OCS
Deb Davis (Innovation) – BD, PM, Costs	
Mike Manning – BD	
James Kim, Moderator	Skip Maselli, NAWG Co-Chair, Recorder
Jim Kwolek, NAWG Co-Chair, Recorder	Darryl Murdock, USGIF

As moderator, James Kim set the foundation and pacing for the meeting topics and objectives. Among the most critical objective is to develop a mutual understanding of both sides of doing business between NGA and industry to enhance acquisition outcomes. As a *baseline event*, we did not use scenarios or use cases, but rather aimed for developing a “fundamental baseline” understanding of processes, terms, and other sensitivity points. It is anticipated that acquisition scenarios will be used in the future events to actually “step through” a notion acquisition process from cradle to grave (and beyond). NGA and industry collectively are referred to as “the parties.”

The discourse began as NGA representatives moved through each of the first five phases of a notional government acquisition cycle (see figure 1). As each of these phases corresponds with industry business development and capture process phases, industry then baselined *its* activity for each of those phases.

In stepping through each of the first five acquisition elements, the parties took turns explaining their processes with occasional anecdotes and case history references. The team easily avoided any discussions centered on current procurements. Both parties were asked to allow each “side” to proceed without interruption as time was brief. And while there was no specific “game scenario” for this baseline event, each party took the opportunity to frame feedback around, “given what you do, this is what we’d do.”

We expected more comments and questions to come up between both observers and panelists than we would get to. Consequently, sticky note pads were provided to everyone and all were asked to write questions, comments, and “aha moments” on these pads and post these notes to the “parking lot” which was a large wall (white board) on which notes were also written by participants in the room.

By the end of the meeting it was clear that the mock acquisition event, moving forward, needs to be ratified into a periodic series that walks through respective acquisition processes and

phases using a *scenario based approach*. Furthermore, the outcomes and actions need to persist over time throughout industry and government organizations. Rome wasn't built in a day. Involving the range of senior to junior organizational members in educational settings will assure persistence as key members move on and out of current positions. It was even once suggested that achieving awareness of best acquisition practices and cultural awareness (supported by the NAWG) should be part of the government and industry personnel career progression.

There is a preponderance of misunderstanding around the processes, conditions, costs, and ultimate objectives take by both industry and government. Improving this understanding will dramatically improve the procurement and acquisition process.

The notes below were recorded by multiple participants and should not reflect conclusive positions on understanding or process, but rather a sensing of what is said and heard during the discussion. These notes are followed by (1) "aha moments," (2) aggregation of questions and (3) next steps.

Government Milestones & Industry Full Life-Cycle Activities

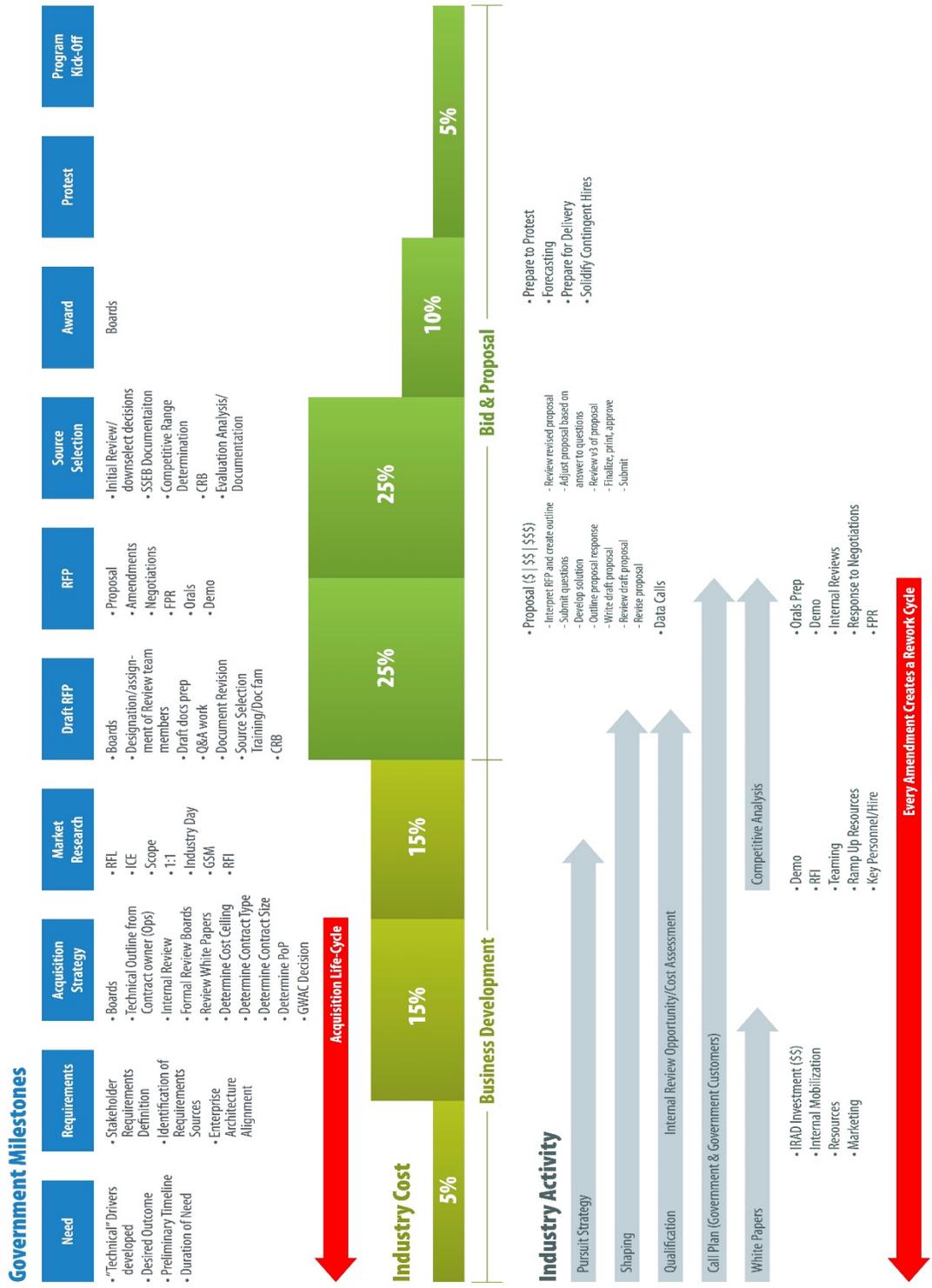


Figure 1 Acquisition Planning Cycle (Gov't and Industry)

CONCLUSION and RECOMMENDATIONS

All agree that the Mock Acquisition process, as illustrated by this baseline event is a worthwhile endeavor for harmonizing the procurement and acquisition process. The mock should step through smaller discrete stages of the acquisition process and occur at least quarterly. A scenario is necessary to provide some realism

The baseline event only covered the first 4 stages of the acquisition cycle (Figure 1), but revealed a number of "aha" moments, questions (answered and unanswered), and observations. There are substantial gaps in mutual understanding of acquisition approaches between industry and NGA. A deeper understanding of these gaps can be translated into both industry and NGA actions which reduce the cost of acquisition, accelerate the process, and improve the decision making process (selection, bid/no bid, and proposal approaches) to which in turn dramatically improves outcomes.

The Mock Acquisition Event is an educational event through practical reviews of individual process and responses (reactions) between industry and NGA. As an educational event, it should be woven into the educational process associated with career progression, diversity, alignment within NGA and industry. The NAWG will engage with the USGIF tradecraft and professional development committee to urge potential inclusion in GeoINT body of knowledge.

The funding for the Mock Acquisition program should be continued. The NAWG and NGA panel and observer teams should reconvene in January 2017 and review the notes, questions, observations, and "aha moments" and plan the next event. It may be necessary to conduct another baseline event for successive stages of the acquisition process before a scenario based mock is conducted.

A scenario based mock event will be similar to a simulation. What was originally envisioned was a moderated "back and forth" volley of actions and reactions/responses between industry and NGA. There would be interim periods during this daylong event (or longer) to decompose and review or prepare responses to the other party's actions. The content, sequence, tempo, and rules of engagement will be discussed at the January review.

The NAWG will continue its standing charter to review topics and provide recommendations to NGA. The topics for 2017 will be reviewed in January/February at a NAWG general assembly.

DISCUSSION NOTES

In the notes below the use of "Q:" in front of a question is an industry posed question. The use of "GQ:" is a government posed question.

Notes, questions, and comments are interspersed in the "raw" notes section. This is followed by a list of "aha moments" and a conclusion with recommended next steps.

NGA PERSPECTIVE ON REQUIREMENTS

1. NGA answers to a lot of folks (LT vision); internal stakeholders; portfolio managers, customers
2. Continuing requirement should not mean "more of the same"
 - a. Rarely does NGA say "we're not going to do that anymore"...
3. Requirements for new procurement often begin in 3rd year of 5 year program (e.g. libraries) and the PMO asks, "what are we going to do going forward?"
4. Where NGA goes in the future takes guidance from:
 - a. NGA strategy goals and objectives
 - b. ODNI guidance... with respect to better buying initiatives (Big Major System Acquisition [MSA] and DoD 5000)
 - c. Customer needs collected by NGA IPT structure used to work with customers to vet requirements. Integrated Capability baseline description, and Statement of Capability. NGA uses an IPT structure... a lot of boards to get through.
 - d. Does NGA solicit inputs from its customers the same way it conducts market research with industry? E.g. RFIs, sources sought, industry days?
 - e. IC ITE implications
 - f. GSM market place identifies where our problem set is... NGA doesn't always know where requirements are... they just have a problem set. SO they expect industry to help.
5. ODNI oversight
 - a. Case study: Libraries program was an MSA, but follow-on was not as it was "more of the same," hence, ODNI did not jump in to check performance, schedule, cost. O&M over 5 year also drives amount of ODNI oversight...
 - b. ODNI does independent cost estimate, but NGA has the budget.
6. What drives funding and non-MSA's:
 - a. Office of Geospatial Management
 - b. Structured and unstructured requirements
 - c. Whoever has the need, drives the process
7. NGA Industry Advocate is in the middle, gets feedback and questions from Industry on how to respond in a way that will resonate with NGA
8. Gov Comment: Would like to investigate more about industry assisting with requirements development outside SETA's.

9. What actually are "requirements?"... My program has a requirement (e.g. a performance based metric, function) or a "mission requirement" (find bad guy in x amount of time)
10. NGA not convinced industry can or should assist with requirements definition. Potential to use GSM to do this.
11. Govt can define outcomes and measures, then industry defines requirement.
 - a. Impossible in reality
 - b. Very hard to establish outcomes and to evaluate
 - i. Props don't look the same, industry threatens protest)
 - ii. Industry asks for more standards e.g., what kind of Search? And drives Govt to more specs
12. NGA will use FBO even if only to tell industry to look at the ARC, unless GSA

Q: What do you do when the "what's next" comes up and there is not consensus at NGA? (Industry senses this and attempts to offer ideas - becomes muddled)

Q: Does MSA non-MSA, etc. impact how NGA engages with industry early on?

Q: How does NGA budget planning/funding go with respect to capabilities, portfolios, contracts? This impacts industry perceptions, hence taints or enhances how Industry approaches NGA (who within, with what ideas and preconceptions, expectations - inevitably, this affects how industry invests). **Case Study:** GeoINT Supplier Broker, industry gets confused on whether this will be a "program" or a capability that is funded through other programs... so Industry begins maneuvering.

GQ: If government discloses budget, what is impact to industry? Impact on time, on effort, on cost?

GQ: What terms in RFI/RFP/solicitation would recognize the "buckets" of (1) continuing requirements (2) development, modernization, enhance, (3) unexpected?

Q: Does NGA consider industry a stakeholder in shaping? In addition to customers, etc. is industry a stakeholder in the development of requirements. How does industry capabilities inform custom requirements?

INDUSTRY PERSPECTIVE ON REQUIREMENTS

1. Stakeholder Requirements Definition - standard Systems Engineering stages
2. What about an "elicitation approach?"
3. Are these documented and prioritized (this is critical to NGA)
4. Many in industry believe RFI release means RFP is imminent; in reality it can be released at any stage

5. When Industry sees an RFI, response is often limited...Bill says industry prefers to meet in person.
6. Incumbents shaping way ahead of 24 months; non-incumbents are out of loop. – is Govt open to changing from incumbents?
7. As requirements are rumored or otherwise presented to/discovered by industry, industry conducts "gate reviews" and makes investment decisions.
8. Critical information include timelines
9. In both gathering and using this information, industry seeks to win existing (take away), create new contracts (or ECPs), generate demand for unique solutions, sole source (which industry attempts to do as well)
10. How industry discovers and handles requirements
 - a. Identify and plan against awareness of expiring contracts - if they are coming up for recompetete.
 - b. Develop capture planning/budgets based on "what we are hearing on the street or within NGA"
 - c. Identify whether and which of our capabilities are relevant
 - d. Qualified pipeline (becomes part of Annualized Operating Plan)
 - i. Is there money/budget, is there a timeline, is there an interest/intent to solicit
 - e. Unqualified Pipeline
 - i. One or more of the above are missing
 - ii. Industry invests to generate demand/create opportunity
11. Significant effort applied to interpreting government strategy vs. learning and understanding "requirements." Needs vs requirements, lots of effort data mining (expensive).
12. Continuing Requirements
 - a. Influences: Strategic Vision & Requirements (NGA, DoD, DNI), Internal Stakeholders, Portfolio Managers (PfMs), Customers
 - b. Vision for OpenStack not consistent with MSA structured Procurements
 - c. 18-24 Month before contract end = traditional timelines (not always that early)
 - d. If done right, it's not more of the same – should be looking at strategic context, how is it currently working, and how can it be done better/faster/cheaper?
 - e. External Needs come through OGM or grass roots from analyst
13. Requirements can become confusing / ambiguous with respect to whether they are designed around Portfolio -> Initiative -> Capability (e.g., search) -> Tech services / Program -> Contract(s)
14. Program Builds are aligned to JARM (layers defined at DNI level) to de-duplicate capabilities needed across programs (e.g. pgms used Search). Particularly with MSAs... there are only 2 or 3 MSAs out of 200 programs

REQUIREMENTS AND MARKET RESEARCH:

IMPACTS ON INDUSTRY INTERNAL RESEARCH AND DEVELOPMENT (IRAD):

Industry comments:

Depending on the type of requirements, Industry has to look at R&D and investments 3-5 years out. Not all business (sizes) have the staying power.... will requirements change against investment (industry R&D roadmaps)?

Big business does not mean more R&D... in fact, big business is only willing to go R&D with high Pwin (percent chance of winning a specific pursuit). Not really venturing. R&D needs to have shorter returns in big business... 3-5 year out, many large companies don't have the funds.

Government Observation/ GQ: How does NGA balance between too detailed requirements and too vague requirements?

Industry wants leniency to pitch their 'out of the box solutions', but also want more details regarding the requirements to bid against. This leads to solutions that are similar to the 'same old things'.

GQ: How does NGA best keep industry in the loop on how to spend their R&D?

Industry spends a lot of money on IRAD guessing what will be relevant in the future; the government can do a better job at transparency to help industry in an age of constant technological change and tight budgets.

Q: How does NGA know how and what kind of IRAD is being done by industry? (question from Bill)

Q: To whom within NGA does industry take demos, white papers to... who should they take these demos and white papers to? Bill Y, Tanya P, John R the right folks... there are others.

Q: Would it help if NGA had more combined industry outreach with multi-agency industry day. (question from Bill). Industry overwhelmingly agrees this would be a good thing.

Q: IRAD doesn't drive a "new requirement" as much as position company more favorably during proposal evaluation (true?). Does NGA remember company IRAD's / Demos? Are these proofs that persist as proposal are evaluated. Demo's better as part of proposal - not before.

Q: Often customer says something and that drives industry to Invest (is NGA comfortable telling industry what they need?) and when does NGA go quiet after, during, requirements definition?

Industry often focuses investments on "shaping" requirements; in addition to evaluation criteria, contract type, award type, etc.).

R&D is to present discriminator, not just solution. That is, industry wants NGA to ask for something "specific" in the SOO/PWS/SRD that addresses a particular company's specific IRAD, so we have advantage. Or industry will try to shape a requirement for a certification that eliminates many competitors (GeoINT Professional certs, CMM level, etc.)

NGA (Industry Innovation Advocate) formulating a "behavioral strategy at NGA." Encouraging NGA to get outside NGA; don't be insular. Definite examples of this.... apparently still not enough according to NGA.

PORTFOLIOS → INITIATIVES → CAPABILITIES (FUNCTIONAL) → PROGRAMS → PROJECTS

Industry may be confused on what are *initiative vs. functional capability vs. programs*. Initiatives are budgeted but most often supports multiple functional capabilities. Funded capabilities often support multiple programs. So how does industry track and budget business development and capture against an "initiative" with no definitive program?

E.g. GSB... is it an opportunity or an "initiative" (it's an initiative, but this does not translate to specific investment planning and revenue forecast within industry).

Q: Industry would like to come in to NGA and talk about the initiative, capability, function (vs waiting for a specific contract).

Case study: e.g. we'd like to come in and talk about GSB, but GSB is not a specific procurement.

Q: Can industry help direct initiatives into requirements/objectives of programs?

GQ: What is shareable with industry about early concepts? Like portfolio needs or GeoINT conops. And when? E.g. before the government analysis?

NGA explains that Joint Architectural Reference Model (JARM)... is driving the Program Build Requests for some of the 200+ programs at NGA

(Observation of Mock Panel: The bidirectional flow is working between sides... we are making frequent recommendations on the fly. Much is to be recorded.)

NOTE: Director Cardillo says something... e.g. "Analysis as a Service" was spoken to an industry senior exec (president level)... suddenly that company is not only dumping money into NGA business development and IRAD, but there are actually conducting acquisitions (M&A) based on these comments.

Q: Who says what requirements, how often do they change, should industry (who is investing heavily) get a chance to recalibrate their investments based on statements by NGA? Same case with "small sats;" industry listened, and responded.

Q: What does GSB need to articulate? So providers can plan? (+ 5 years)

GQ: How does industry know government is going to continue a requirement

GQ: What does industry believe is advantage (or not) of incumbent

GQ: Industry want to know "5 year look ahead" to help direct IRAD investment, but then gets upset if government goes in a different direction. Complaints lead to government becoming more hesitant to "speak too soon."

GQ: Why are we fully focused on requirements? SOO's focus on objectives and problems. Requirements stifle "out of the box" solutions.

Industry answer: because SOO's look more like requirements and "converted PWS" than true "objectives." We should be clear on what exactly "objective" means to NGA and to industry.

GQ: Regarding SOO's, some view the objectives as requirements. Is there a way to stay at the problem/objective level, rather than specifying the more detailed requirements to be met?

GQ: On initial postings, how clear does industry think RFI's are other continuing requirements are? Are they easy to understand without a voice track?

GQ: When preparing to bid on a contract, where is the most effort/cost spent? How does government impact that? E.g. (1) definition of requirement (2) RFP specifics like time, page count, flexibility in approach?

MARKET RESEARCH

How NGA and industry understand "engaging market research"... and how it relates to driving requirements vs. how requirements drive market research. NGA (OCS) is not satisfied in how they do market research.

NGA Comments

1. Government needs to do more market research (via RFI's and looking around)
2. Market Research is a weak Area for NGA and Govt as a whole
3. Contracts needs to be involved much earlier
4. Market research and Development, Modernization, Enhancement (DME) is an additional duty for PMs who have frontline execution responsibilities
5. Some PMs work with CO so they both understand what each other is trying to achieve
6. Others try to do their own market research and don't do it well
7. Market Research provides sources for Gov't to consider as part of response (but Govt hires e.g. Emerald to do that)
8. Enterprise Innovation Office (TAI) job is full time market research
 - o PMs are disconnected from that, PfMs should get GPMs together, look across IC using TAI.
9. Industry needs to do more market research.... e.g. providing NGA other areas to look.

- But industry is more interested in shaping than providing impartial view.
- That is, if a company does not submit an RFI response, they are often seen (by themselves) as non-competitive, behind the power curve, etc.

Q: What can be done for “informal” market research by the CPM before formal market research (before PM/CO engage)?

The RFI

Regina says market research and RFI will always continue as they are very important to the acquisition process. NGA OCS expects NGA Customers to do *thorough* market research... contracts is supposed to come in after market research by customer. But this often is not the case - market research has not been adequate. Market research can be based on what the customer is already used to (incumbent).

NGA takes the rationale behind the strategy and they do market research... NGA requires significant documentation of market research. It's very important and hence NGA pushes industry to deliver written stuff on time.

Much more has to happen up front (with RFI) to create transparency into what is expected. (Mike Geggus).

NGA advises that industry should consider an RFI for "market research".... Nonetheless, NGA is struggling with market research.

Industry comments that RFI is not particularly effective for market research. The response requirements are too short, too structured so industry cannot effectively respond. In addition, there are often limitations in the RFI or it's proprietary.

There is an Industry confusion between "market research" and "selling" - e.g. explaining a capability is different than explaining "OUR" capability. **So GSM does NOT suffice.**

Q: Is industry calling RFI market research, or is it really "shaping" without an unbiased look at industry.

Q: Is RFI solicitation stage truly initial or otherwise (baked)?

GQ: What causes the industry to be reluctant (if any) to respond to RFI's? Many times industry seems to want to vocalize 1 on 1 versus “respond” to RFI.

Example Industry Answer: If NGA solicited industry for market research against specific initiatives or capabilities (that align with potential/likely, current procurement) industry is likely to participate

RFI Impacts on Industry Behavior

- Industry teams when there's enough stability in scope, starts solutioning as early as RFI while Govt will still engage
- Well before, or upon receipt of RFI
 - When RFI comes out, industry begins to invest. They put opportunity into pipeline (connected to financial systems).
 - Teaming strategies begin (even before RFI).
 - Industry dance begins: industry is entering into pipeline, need size, scope, value, timing, budget, competitors
 - Teaming happens if Gov't is more mature in process but usually teammates are just feeling each other out or doing early teaming if there are high value partners
 - Teams fall apart with government delays
- Gov't perceives companies don't get promised work in execution because they didn't arrange specific workshare;
- Gov't may penalize primes through past performance if they don't meet subK/small biz % that they bid
- Change in Gov't strategy on contract vehicle greatly affects small and mid-size companies, teams change e.g. ACES when ID/IQ was broken up - it causes a lot of changes in teaming, lots of wasted money, and companies ran out of pursuit money or became frustrated and walked away (taking potentially good solutions with them)
- DRFP and RFI questions: Industry can use these to delay or change language in RFP

GQ: Where does/can NGA come in to help lock down teaming composition?

Industry Comment: NGA maybe not aware of costs of teaming on multiple teams, cost of priming vs sub'ing. NGA needs to lock down something in writing – that is when teaming solidifies.

Teaming is expensive and complicated endeavor.

Small business utilization – we need to put some focus here for both sides of the table to better understand impacts and impetus.

RFI Response Feedback

Q: Is NGA happy with RFI responses? Or does it look like modeling?

Q: Based on RFI input requesting conversation (discussion): Does government reach out to discuss or does government wait for industry to call/follow up?

GQ: Does NGA respond to request from industry?

Answer from Industry: CO's mostly do not respond...

Q: Does PM/CPM/PfL or others answer? Industry perception is "it depends on who from industry is asking the question?"

Industry comment: What is missing is feedback to industry on acquisition strategy. Most industry questions about acquisition strategy are ignored... without answers, many cannot bid.

GQ: How can we, both government and industry, do better at addressing "lack of clarity/transparency?" Both sides can improve communication.

Industry Comment: If NGA does not know an answer (date of acquisition related events and decisions), tell us, "we don't know and if we did we could or couldn't tell you." It is most costly for industry (and inevitably NGA, when we have no clue what's going on... when we get no answers.)

Government Comment: NGA seems to ask what do programs sum to when it should be what programs ALIGN to...

How does industry communicate to NGA on (market research)

NGA comments:

1. CPM is incredibly critical to industry in how industry communicates what is out there that they (CPM) has to address. Where do we communicate in our own way (format, content, time).
2. TAI hosts "NGA Disrupt" where they bring in companies on specific topics.
3. GSM
 - o Challenges (Challenges.gov), GSM are used to get ideas and precede eventual acquisition, not part of formal acquisition process and not a linear process

Q: Does the CPM start with the GSM in the market research?

Q: With respect to GSM, is there an opportunity to leverage DevOps & Cloud to enable government to try and evaluate new solutions?

Recommendations for market research approach

GQ: How can industry communicate "things government should see" to help NGA plan its symposium engagement strategy?

1. *Portfolio / Initiative level Industry Days:* Why not conduct an industry day around an initiative vs waiting for a specific opportunity? GSB, Library, Search, Data Conditioning,

Analysis as a Service "industry day." Long time ago (couple years), Justin did this for "GeoINT Services."

2. Reverse Industry Day:

- a. NGA establishes a list of topics they are interested in against a particular procurement or (better yet) an initiative (or portfolio)
- b. Industry takes the stage in the Auditorium (for example) and presents multi-member panel (selection criteria to be determined by the NAWG and USGIF.
- c. NGA and government sits in the audience and asks questions at the end of industry's introductory presentations.
- d. The presentations could be market research, consists of general discussions between industry on the initiative (or acquisition process).

For the most part industry receives no feedback from submitted RFIs. Government providing some sort of consolidated feedback (maybe via FBO or unclass ARC) on what they learned from RFI responses would be very helpful. Helps industry determine if they are on the right track or not.

Q: Could the RFI /industry day include program or project level relationship? Understanding how specific procurements relate to Portfolio's, initiatives, capabilities, etc.

THE PROTEST

Fear of protest needs to be its own topic of discussion for the NAWG and in the actual conduct of a Mock acquisition - another topic. Moderator states >4,000 protests to GAO in 2016, most small and mid-size businesses

GQ: Why does industry protest? Not enough feedback? Process issue?

Industry answer – clarity of feedback, not understanding how Govt came to the conclusion, quality/usefulness of the feedback for improving, missed info, vague answers, lack of transparency

ACQUISITION STRATEGY

Industry does not understand the acquisition gates and boards that meet... when they meet, etc. Questions by industry to NGA on acquisition strategy go unanswered. NGA does not realize that we use this information to plan pursuits and not necessary to gain advantage over competitors.

Would be good to align understandings between NGA acquisition approach with how industry does capture. In addition to a Mock Acquisition event, ways to do this is to create an industry "Acquisition Day" where NGA reviews its contracting processes from cradle to grave. Industry could do the same "generic capture process."

Example: After requirements are candidates – it goes to the NARB, which can meet anytime. NARB reviews general strategy. CRB meets after to make sure specifics are taken care of. CRB requires all documentation.

- NARB (6 mos. or up to a year before RFP) covers all contracts in a program and how program aligns with strategy
- CRB – Award Type (ID/IQs, BPAs, GWACs); based on scope, what to build, OCS helps GPM decide on contract type (CP, FP). Contract type is chosen based on FAR guidance, nothing else intended
- When choosing an ID/IQ to use, Government looks at whether capabilities are covered, expediency (this is huge!) but not which contractors are on the vehicle. Usually they are late, don't want to extend current vehicle, and are looking for fastest solution
- Non-traditional companies (Silicon Valley) will not be CAS compliant but most are sm biz subKs
- Industry process based on risk profile of CP vs FP
- CRB should be late in the process as final stamp on RFP, this is getting better.
- NGA is improving/streamlining TO requirements/eval under ID/IQs
- Significant concern that what is supposed to be Best Value (BVTO) still looks and feels like a LPTA. How do we get around this.

Q: Why does NGA use other contract vehicles (like ID/IQ), e.g. DIA E-SITE:

Government Answer: Expediency is number one reasons for getting something on contract (external and ID/IQ). When NGA poorly plans, they need to expedite procurement, so they go to other vehicles, or IDIQ. It's not about reaching a certain prime.

GQ: Award type - multi-award IDIQ, use of other vehicles vs. NGA, how does this affect Industry?

Industry Answers: ID/IQ for example, must go through different approval mechanisms (longer lead) in corporations versus T&M or CR. Also impacts how we team and assign fee. ID/IQ also incurs expense because we must budget a PMO and BD office to operate to create opportunities under the ID/IQ (versus just waiting for TO's ... that may be wired for someone else anyway.)

GQ: Is there a consideration of exclusivity (non-prime) if contract type is multi-award ID/IQ?

GQ: How does industry view 1 on 1 meetings in reference to competition?

GQ: Would industry be willing to put a larger ratio of their AF based on meeting their small business goals?

FFP vs. CPFF Perceptions:

NGA's acquisition strategy with respect to FFP vs CPFF (etc.) drives industry reaction. Industry is mostly concerned about how these effect "low bidding" and "dumpster diving" as we call it.

- Industry says it because NGA is weighing risk vs. fee vs. desire for innovation, etc.
- NGA says they are really just following the FAR stipulations and nothing more. Industry is over-reading it.

Industry Perceptions: NGA is using pricing strategy to drive all bidders to same price so that evaluations are fair...

(NAWG comment - PRICE evaluation needs to be another topic)

(NAWG Comment – industry should expose a mini "Capture management" course that roles through bureaucracy so that NGA understands how it all works with cost. This would go toward creating better communication through sensitivity to process.)

GQ: Does industry prefer demos, etc. as part of RFP process or a PRE-DRFP / RFP? Industry agrees these are different.

Industry response: If NGA chooses demo, then "stick with the plan" because industry will invest a LOT into demo's. Yorktown was cited as an example of last minute switch.

GQ: Is there value in providing strengths (full write-ups and intensity) during discussions? If so, what value is it?

GQ: How is NGA able to include tech insertion opportunity/reward within its contracts to accept technology from "other than the prime/team?"

GQ: How can NGA communicate to industry if "base + options" are going to change to get non-incumbent industry to engage?

GQ: What about describing "balance engineering" and "shift to left?"

GQ: How does industry (large?) become aware that government is following leaning/agile/human(?) center design and engage?

NGA Comment: We need a deeper understanding of the respective acquisition and costs associated with winning business at NGA. (referring to NGA's own costs)

(NAWG Comment: Price Evaluation is a separate area we must consider as it is driving a lot of discussion)

NGA Comment: OCS may see industry "Price to Win" (PTW) as a race to bottom... e.g. what is Lowest Possible Price before we (industry) start losing money:

Industry response: If done right, Price to Win is based on highly empirical, heuristic, statistical (parametric) methods using historical contract info that certain consulting firms make a living

gathering. PTW begins as soon as industry learns of intent to solicit. Government price analysis vs budget vs award.

Industry responses to NGA acquisition [approach] changes.

- Competition among opportunities in different gov't circles for most companies sometimes depends on company size, not just NGA.
- Competition for IRAD is intense across multiple customers...takes time and corporate approval
- When timelines change (procurement), there is a scramble:
 - sometime more \$, sometimes less \$
 - Dependent on corporate process discipline and hunger/appetite
 - Sometimes forces no bid
 - desired bidders list may be impacted from government perspective
- Partially about the timing of the solution: If you are trying to solve for your solution, by the time the RFP comes out, it's too late.

Q: Which stakeholder groups contribute to the development of the RFP and what process do they go through to align the various Sections/Requirements?

Q: Gov't is clearly unhappy with Day 1 ECPs – what strategy are they using to minimize that and/or change Industry behavior?

Q: What stake/accountability does the contracts team have in success of program execution once they've awarded?

DRFP (1.5 to 2% spent prior to and responding to this).

- Many things go on when DRFP drops – industry engaged and general feels if we are first seeing it in FBO, ARC, or DRFP, we are “too late to the game” and others have already influenced it.
- Industry has internal bureaucracy to get through wickets
- Teaming Agreement and Exhibit A (work share) done before DRFP (during Market Research) for any key teammates (function of requirements stability)
- Technical solution should be finalized by end of DRFP (Blue Team). At FRFP solution is already done, checking for changes, final pricing reviews
- Industry comment to NGFA: Don't be afraid to put something out that will change, just say how mature it is
- Communications early and often
- B&P may sometimes be ready to turn on for access/spending by capture teams
- Pricing vetted up corporate channels (4-6 weeks)
- Teaming OCI and supply chain (which is how we begin to team... set up NDAs, TAs, etc.) (2 weeks)

- Export / Import must review partners, etc.
- Common belief/reaction in industry – the procurement changed from single to multi-award OR O&M has been put into the contract OR they are splitting it up into multiple contracts rather than single ID/IQ HENCE “someone must have gotten to the customer and told them to change it!”
- When Intro (strategy, innovation etc.) is misaligned with M criteria, causes industry questions on how to bid, what to include
- Government comments to industry: "Criteria are real discriminators, getting away from covering every single shall statement"
- Price Reasonableness assessed on FFP with comparable market pricing (by location, with clearances), not just comparing across proposals

"AHA!" MOMENTS:

There were many revelations at the meeting. More than we could record. Here is a synopsis based on going around the room after the baseline event.

NGA "Aha!" Moments

1. Acquisition dashboard which went away (?) when programs end or when NARB is setting up new future projects.
2. Bill didn't realize that we start BD/capture process and spending so early
3. Pre-award protest is more prevalent
4. 45 days is not enough time between DRPF and RFP
5. Innovation cell tied to acquisition site.
6. Q&A piece during RFI or DRFP ... better job on questions and that there is no intent to withhold
7. Industry wants more feedback from RFI response... provide more feedback by category, not necessarily by company
8. 70% of time not calling us back and that is not good (that's bad); as more junior COs come on, it is important to make them feel comfortable doing their job
9. After awarding something recent, would like Industry to come back in to meet with NGA so NGA can get a sense of how they did.
10. Dialog like this is important
11. SOO needs to be a focus versus requirements... should be
12. Are we going to bring in the worker bees... they need to be here because they are the ones left to run it.
13. transparency, communication feedback... we are getting better.... not sure we are clear with industry where they can go to get it
14. The lack of enterprise contextual clarity: architecture, business models, sequencing/timing in the open, early on. GSM?
15. Not a common understanding of GSM (and ecosystem) as an extensible tool for market research. Still doing one-offs in isolation.
16. Acquisition stand down allows us to get to more staff at NGA.... CO's, CPM's and folks like Dan T.... we can do this during acquisition stand-down.
17. When draft RFP is reviewed by industry, they are building past performance volume
18. Protest is better at "pre-award" to get corrective action to change the RFP; then after award, as statistics show that a very low number of protests are actually sustained and awarded to protester
19. Industry planning cycle is about 3 years looking at contract expiration dates; informal discussions; industry days; company capabilities
20. Industry outlines solution before RFP - RFP proposal is for presenting/pricing solution NOT developing it.

21. Post high level "takeaways" from RFI responses to FBO to give industry insight as to whether or not they are on track
22. Industry decisions to "exclusively" partner, "non-exclusively" partner, prime or not prime all revolve around cost;
23. The government's decision on contract type does dictate industry's decision to propose;
24. Generally Industry teaming agreements are begun well before the government releases the RFI or the draft RFP;
25. Early "clarity" by the government on contract type and contract vehicle is critical to small & medium size businesses large businesses not so much;
26. 45 days to propose is not enough days to refine the solution. That is why RFI's, teaming agreements and communication with the government early is so critical;
27. It takes more time to structure a FFP proposal than a cost or time & material one;
28. Industry goes through the same decision exercise on whether or not to respond to an RFP regardless of whether it is a follow-on contract, new capability or a total surprise procurement.
29. Industry cannot finalize its teaming arrangements and strategy without solid requirements
30. Industry would greatly benefit in their investment decision tree if government was to provide insight/ feedback/trend analysis "themes" on responses to RFIs. Let industry know what was asked and what the government response(s) is/are. Industry feels their questions and responses go into a big black and silent hole.
31. NGA OCS needs to do a better job of timely updating the business opportunities list. While it has gotten a lot better, there is still room for improvement.
32. The true cost of a protest is more than 'just a stamp'. They typically cost over \$200K.
33. Some at NGA did not realize how much pre-work industry put into RFI's and draft RFP's. If industry starts preparing their bid for an acquisition at the start of the final RFP, they are already behind the 8-ball.
34. Changing the type of acquisition between a RFI, Draft RFP, and Final RFP disrupts industry more than previously recognized (ex: open competition down to a small set aside, etc.)
35. Take to next level of evolution.
 - a. one action each side we can take to improve
 - b. low hanging fruit, we can implement and fix

Industry "AHA!" moments

1. Industry is not transparent: spends a lot of money on things that are not getting us much mileage with NGA. This harbors confusion and bad decisions. Industry has huge bureaucracy to go through.
2. Do industry day on initiatives/portfolio's not just programs
3. NGA and Industry do not engage on requirements definition - requirements and needs - market research at NGA
4. Market research and requirements via RFI: this is not how industry sees an RFI. The RFI is a chance to influence, shape, drive requirements/RFP/SOO, etc. to a format/content

- that favors a particular company. NGA may expect us to be more open and arbitrary, and less biased toward our own solutions that we (as industry) actually are.
5. Industry may HEAR more than sometime NGA thinks, but we may rely too much on the wrong (or right info)
 6. We need to do a scenario based mock - focus on PTW, capture process (focus on expenses). USGIF and NGA to work together on education in this area – NAWG is training and skill craft... GeoINT body of knowledge should account for acquisition as it impacts mission (and vice versa)
 7. Larger dialogue on GSM
 8. It is expediency not favoritism or necessary cost that drives the use of external vehicles.
 9. Contracting and CPMs don't always see eye to eye
 10. Are we calling the right people - not getting answers from NGA
 11. Deep fear of protest or frustrating industry is clear
 12. Regina said Industry absolutely can come in with questions - e.g. "we hear another 2 contract acquisitions are coming out, say on another contract vehicle," can you tell us?
 13. Market research is more prescriptive than what we thought; so industry should think of ways to be more effective in their response
 14. Government has day job in addition to responding to Industry
 15. Pre-award protest is prevalent.
 16. GSM is a mechanism for market research
 17. More roles to engage with TAI and GSM (we need better understanding)
 18. PMs and industry do not know the tool sets available like GSM
 19. RFI's are not consistently placed within the overall timeline
 20. No secret decoder ring (at least according to folks in room) that NGA uses to determine which programs become what and there is no strategy to try and get certain companies on contract or off contract by moving programs to new vehicles or canceling programs etc. NGA just following fundamental acquisition rules.
 21. Industry is over-interpreting - in doing so, we are being a part of the problem. We need to delve into this in the future.
 22. NGA is working under many constraints and competing priorities and how hard it is to come up with SRD, etc. We need to help as industry more.
 23. NGA is reaching out to other GWACs and contract vehicles more than we thought (for expediency)
 24. We still need more communication process - how can industry help
 25. Programs/initiatives does not equal contract... contract is support and enables capability.
 26. If done right, NGA won't be asking more of the same
 27. Was not aware of MSA's and how those really required a good bit inputs and guidance from others above and outside NGA (e.g. USDI)
 28. PBR going against JARM - something new there.... and how that is used as financial structure
 29. Good diversity from NGA here - did industry bring enough?
 30. PTW discussion - this is a confusion factor... should NGA care about this.
 31. NGA feels we drive to the bottom with our PTW approach;

32. We need to bring in small business to this event
33. There is a commitment to do this Mock acquisition event again and add follow-on meetings – next time bring in younger folks. NGA says, "Absolutely necessary to do this again, 2-3 times a year."
34. We need a success metric... with monitoring for the Mock Acquisition Events
35. Need to better understand (lexicon) of portfolio → initiative → program → project -
36. Government not fully aware of industry capabilities and industry not fully aware of governments evolving interests... need to better align to focus industry engagement and provide better inputs to government needs.
37. Varied efforts/approaches to Market Research
38. GSM role in Market Research & pre-acquisition idea shaping
39. Difficulties in outcome/measure based procurements vs traditional requirements/specs
40. Less than 1% of protests result in overturn, but 30% of pre-award protests (beginning with strong letter to the CO) succeed in getting corrective action

Parking Lot Comments and Questions

The following is aggregated from "sticky notes" for parking lot. They have been transcribed into the document below.

GQ: what exactly is need to ensure that NGA contracts is being “fair” to all businesses who may offer some form of Market Research? (GSM, FBO, RFI?)

Government comment: Is there a published “input lifecycle” chart for acquisition? If one does not exist, (given the current state of contracting), can we (NGA) create one that is meaningful without it being complicated?

Industry:

- Portfolio vs Initiative vs Capability (from a funding perspective): how are requirements vetted and satisfied on contract
- Examples/Use case: GeoINT Services; Data Conditioning; Libraries; Data Validation; NGT vs GSB vs GIM; Analysis as a Service

Market Research

1. Not the same for both
2. RFI was described as a key vehicle
3. Defined
 - a. NGA Perspective = what is in market, realm of achievable, drives acquisition strategy (RFP, etc.)
 - i. Tools: GSM, RFI response
 - b. Industry Perspective = a chance to (1) sell “their” capability and (2) influence/shape expectation by government, metrics, evaluation criteria, SOO, etc.
 - i. Tools: White paper, Demo, RFI response

Pricing Strategy versus Award Type versus Contract Type (significant discussion)

- Risk and Fee are related from industry perspective
- Subcontracting / teaming strategies
- Price to win (PTW) begins early
- Necessary internal pricing approvals within industry can be lengthy
- Pricing is the biggest hurdle in most companies
- Investment (Capture, BD) is about 3-4% of contact lifetime value

Example of Industry costs for Capture and B&P

- RFI Triggers the actions (gates 0 -1/2 – similar to NGA’s early NARB boards in some ways):
- Teaming decision process (10K per month – one month to go through this in industry)

- White Papers / visits (\$30K for a couple months for one white paper)
- Price to Win (PTW) – could be \$5-10K per week for four weeks!
- Blackhat (competitor intelligence) - \$20-40K / month
- Pgo / Pwin – percent chance government will release contract, and chance that “we” will win – this is determined in win strategy sessions (10K)
- Proposal writing 1.5% to 3% of contract value over total POP with options.
- We should quantify impacts of challenged procurement practices on industry costs and how industry “recovers” those costs to pursue in future or current work/rates.