

SYM-AM-18-086



**PROCEEDINGS
OF THE
FIFTEENTH ANNUAL
ACQUISITION RESEARCH
SYMPOSIUM**

**THURSDAY SESSIONS
VOLUME II**

**Acquisition Research:
Creating Synergy for Informed Change**

May 9–10, 2018

March 30, 2018

Approved for public release; distribution is unlimited.

Prepared for the Naval Postgraduate School, Monterey, CA 93943.



ACQUISITION RESEARCH PROGRAM
GRADUATE SCHOOL OF BUSINESS & PUBLIC POLICY
NAVAL POSTGRADUATE SCHOOL

Conducting Viability Assessments for Acquisition Planning

Virginia L. Wydler—is an Acquisition Scientist at The MITRE Corporation, supporting Defense sponsors with acquisition strategies and source selections. She has over 25 years of experience in acquisition, both government and commercial. She is a former Navy Contracting Officer. She holds an MS in National Security Strategy, Industrial College of the Armed Forces; an MS in Acquisition and Contracting, Naval Postgraduate School; and a BS in business administration, University of Maryland. She has published in *Defense Acquisition Journal* and *National Contract Management Association Journal*. She is a Certified Professional Contracts Manager (CPCM) and Fellow with NCMA. She is DAWIA Level III Contracting. [vwydler@mitre.org]

Erin M. Schultz—is Technical Director at the Center for Acquisition and Management Sciences at The MITRE Corporation, providing subject matter expertise in the areas of contracting, source selection, proposals, and acquisition strategies for a variety of customers. A former Contracting Officer, Schultz also served as the Vice President of Proposal Development for a Fortune 500 IT corporation. She has over 25 years of contracting experience with both federal government and industry, specializing in information. Schultz is an instructor for acquisition and contracting courses for NCMA. She has taught acquisition and source selection courses for The MITRE Institute. [eschultz@mitre.org]

Abstract

Defense Department program managers and industry can streamline the acquisition process by conducting an early assessment of the “viability” of technical solutions during the market research phase of acquisition planning, or as the first step of the source selection. This research documents a viability assessment process as a best practice, provides an example of a successful application, and suggests metrics for measuring success.

Introduction

Fielding government systems can take decades under current acquisition processes (GAO, 2015). As a result, government program managers find it difficult to rapidly adopt new technologies that offer improved efficiency and effectiveness. One approach to improve the acquisition process would be to conduct an early assessment of the “viability” of solutions during market research, or as a first step of the source selection. Conducting an early assessment of industry capability before final source selection can lead to more informed acquisition strategies to rapidly adopt new technology. This paper documents a viability assessment method as a best practice, offers ideas on how to conduct an early assessment, and suggests metrics for measuring success.

Background

Program offices that deploy major systems find it difficult to evaluate and quickly adopt new technology due to the long time involved in acquiring systems under the Federal Acquisition Regulation (FAR). Commercial practice, by contrast, allows industry to test new technologies well before launching them into the market to determine if they are viable for use in products. Unfortunately, the federal procurement process subjects every proposed solution submitted under a federal government solicitation to the same rigorous evaluation, whether the solution is viable or not. Thus, the government must devote time and resources to performing detailed assessments of non-viable bids. Companies offering non-viable products may spend opportunity time and proposal costs to participate in a source selection they cannot win. There is also a risk that if they do win, only afterwards does the contractor (and the government) discover that the solution doesn't work. Therefore, the federal government is trying to find methods or approaches to incorporate technology innovation



quickly and soundly from companies that are technically capable of meeting requirements (GAO, 2016a).

How do program managers and acquisition professionals become early adopters of technology and quickly assess the viability of an offer before entering the rigorous proposal evaluation process? Using a viability assessment approach gives the vendors an opportunity to submit their products and solutions before the final request for proposal (RFP) is released. They can receive a no-harm-no-foul evaluation from the federal government, which may offer the necessary “quick look” and instant feedback to the prospective vendor community.

Conducting a viability assessment early in the acquisition process would allow the federal government to shape the pool of companies that would likely submit acceptable proposals. The viability assessment would also help the government revise requirements, based on knowledge of industry capability, for an achievable outcome. Finally, vendors would know before they submit a proposal whether they should continue to pursue a contract that they have little chance of winning.

Purpose

This research paper offers an approach for acquisition professionals to make more defensible decisions and lower risks for better outcomes. It describes how government program offices can incorporate viability assessments into the competitive acquisition process. Specifically, it presents an approach to using viability assessments as part of an acquisition strategy to minimize the likelihood of unqualified vendors, and stimulate better competition for viable solutions. It emphasizes the importance of communications between industry and government during the acquisition process. It also offers standards for measuring success.

Acquisition Planning

The purpose of FAR Part 7, Acquisition Planning, is to ensure that the government meets its needs in the most effective, economical, and timely manner. During the acquisition planning phase, program offices develop key system features or required functionality and convey them as a priority to industry through announcements issued prior to the formal source selection phase. The Requests for Information (RFI) announcements provide valuable information to industry on government-planned requirements. The RFI responses help government personnel, both acquirers and users, understand potential solutions available from vendors. The acquisition team can then leverage insights to determine how best to structure and shape the appropriate acquisition strategy. The RFI responses support development of contract strategies and incentives before releasing the final RFP. However, RFI responses generally offer paper solutions, marketing materials, and little detail about potential risks in performance.

In accordance with Federal Acquisition Regulation (FAR) 7.105(a)(7), the acquisition team must conduct risk analysis to support the acquisition planning process. This risk assessment is critical in developing source selection criteria and evaluation factors (Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics [OUSD(AT&L)], 2016). As part of the early phases of the acquisition planning process, the acquisition team needs to involve vendors in risk mitigation activities. Conducting viability assessments can create a better dialog between industry and government for risk reduction and risk mitigation strategies that may not be revealed until after award. Shaping the pool of prospective offerors before formal solicitation so that it includes only “viable” vendors would reduce risk and improve the quality of the proposals submitted.



Market Research

In accordance with FAR Part 10, Market Research, acquisition offices conduct market research to identify contractors with the capability to provide the required service or product before soliciting bids or proposals for a contract. The market research also offers an opportunity for the government to refine requirements. Some market research communication techniques recommended in FAR Part 10 include the following:

- Releasing a Request for Information (RFI) to solicit industry input on requirements and potential acquisition strategies and gauge current industry interest and market capabilities
- Contacting knowledgeable individuals in government and industry regarding market capabilities
- Gathering market information on specific products and potential suppliers
- Gathering market pricing and technical information from commercial or government sources
- Gathering market information on industry practices, supply and demand trends, and other relevant factors.

These techniques can point to the ability of acquisition offices to understand the viability of products and risks associated with meeting the government requirement before releasing the final RFP to industry. FAR Part 10 encourages the use of viability assessments by “gathering market information” in a structured approach, based on the recommended techniques shown above.

Communicating With Industry

The federal government’s ability to achieve a successful contract award depends upon credible communications with offerors. Yet program offices often feel unsure of how to conduct such communication. To demystify **misunderstood processes and procedures**, the Office of Federal Procurement Policy (OFPP) released a series of Myth-Busting memos to foster productive communication between the federal government and industry from the beginning phase (including market research) of acquisition planning through the final phase of the source selection process:

- *Myth-Busting: Addressing Misconceptions to Improve Communication with Industry in the Acquisition Process* (February 2, 2011)
- *Myth-Busting 2: Addressing Misconceptions and Further Improving Communication During the Acquisition Process* (May 7, 2012)
- *Myth-Busting 3: Further Improving Industry Communication with Effective Debriefings* (January 5, 2017)

These documents emphasize a strong dialog between industry and government, especially during the early phases of the acquisition process. They also encourage government to be more open with industry regarding their requirements during events, such as industry days and bidders’ conferences, to gain insight into market conditions and technical capabilities. Viability assessments can be considered another effective tool in communicating with industry regarding government requirements and the need for quality solutions.



Acquisition Strategy

Rapid down selection, which narrows the field of potential bidders, has dramatically accelerated government acquisition efforts and can be applied to cyber contracting. It must be done early in the acquisition process, well before a formal RFP and preferably long before a draft RFP. Otherwise, companies already may have invested considerable resources in pursuing an opportunity and will be reluctant to forgo their activities. (Gilligan, 2016a, p. 41)

Including a viability assessment as part of the acquisition strategy gives program offices a better understanding of the marketplace and how their requirements will match vendor products. This strategy also allows industry to become aware of the competitive nature of the acquisition by obtaining early feedback on how competitive their solution will be viewed. As a result, industry is in a better position to choose which solicitations to pursue, since they normally have more contract opportunities to bid on than they have resources to support a proposal.

An acquisition strategy that utilizes viability assessments can reflect a stronger analysis of alternatives in fulfilling customer requirements. It accommodates the FAR Part 7, Acquisition Planning, and Part 10, Market Research, by encouraging two-way communication between industry and government. It offers a valid down-selection method under FAR 15.202 for source selection.

RFI Versus Multi-Step RFP

Viability assessments can be conducted at two points in the acquisition process. Both have merit, depending on industry capability, market conditions, and technology maturity.

The RFI

Releasing a Request for Information (RFI) to solicit industry input on requirements and potential acquisition strategies and gauge current industry interest and market capabilities is one of the recommendations for market research under FAR Part 10. Rather than require paper responses that offer no feedback to industry, an RFI can include an assessment of capability based on a set of criteria or scenario. Feedback can be provided to industry on an advisory basis. Any results would not preclude industry from bidding on the formal RFP. However, this early look allows vendors to decide if they pursue the business considering their product solutions.

The Multi-Step RFP

FAR 14.501 addresses two-step sealed bidding as a combination of competitive procedures designed to obtain the benefits of sealed bidding when adequate specifications are not available. FAR 15.202 Advisory Multi-Step process allows for viability assessments as part of the solicitation process. The language in FAR 15.202 specifically defines the advisory nature of the assessment and allowing industry to make an informed decision to pursue a competition:

- The agency may publish a pre-solicitation notice that provides a general description of the scope or purpose of the acquisition and invites potential offerors to submit information that allows the overnment to advise the offerors about their potential to be viable competitors.
- The pre-solicitation notice should identify the information that must be submitted and the criteria that will be used in making the initial evaluation.



Information sought may be limited to a statement of qualifications and other appropriate information (e.g., proposed technical concept, past performance, and limited pricing information). At a minimum, the notice shall contain sufficient information to permit a potential offeror to make an informed decision about whether to participate in the acquisition.

- This process should not be used for multi-step acquisitions where it would result in offerors being required to submit identical information in response to the notice and in response to the initial step of the acquisition.
- The agency shall evaluate all responses in accordance with the criteria stated in the notice, and shall advise each respondent in writing either that it will be invited to participate in the resultant acquisition or, based on the information submitted, that it is unlikely to be a viable competitor.
- The agency shall advise respondents considered not to be viable competitors of the general basis for that opinion. The agency shall inform all respondents that, notwithstanding the advice provided by the Government in response to their submissions, they may participate in the resultant acquisition.

Building viability assessments into the acquisition process can strengthen the government's knowledge of the industry and technical capabilities before award. This would reduce the risk of design problems and allow adjustments to government specifications before award.

Source Selection

Conducting viability assessments during source selection can provide invaluable insight into how the marketplace will respond to federal government requirements. Since viability assessments are "advisory" (the contracting officer never directly discourages companies from bidding), they do not restrict competition or the ability of companies to submit offers for award consideration.

Competitive Approaches

Incorporating viability assessment results into a competition can be done either through feedback from the RFI results, including any challenge events, or the first step of the multi-step process under FAR Part 15.202. Federal procurements use several evaluation methods to select a winning proposal. Viability assessment information can be incorporated into these methods.

- **Traditional evaluation process.** Under the traditional process, the contracting office releases an RFP to industry; industry provides written proposals and receives written evaluations; discussions, usually in writing, resolve discrepancies or address weaknesses; and the government makes an award based on best value. All communication is in the form of paper proposal submissions. Even though many contracting offices release a draft RFP to obtain comments and answer questions to "fix" the RFP anomalies, many times this process does not reflect a robust dialog or a preview of proposed solutions.
 - A viability assessment conducted before the traditional competitive process can allow a healthy exchange between industry and government before the formal RFP, allowing adjustments to requirements before award.



- **Sample Scenarios with proposal.** Some acquisitions include sample Task Orders with the RFP. Companies respond to scenarios after the formal selection process starts. This process leaves little room to adjust scenarios or requirements based on learning.
 - Viability assessments can replace scenarios to allow that learning, feedback, and adjustments to requirements before source selection.
- **Demonstrations after award by winning vendor.** Some acquisitions require the successful vendor to prove that its solution performs as required through a demonstration or prototype after award has been made. If the first awardee is not successful, the award goes to the next offeror, who has a chance to demonstrate that its product will meet the requirement. This creates added churn and expense for industry and government.
 - Viability Assessments can capture and refine risk prior to award.

Viability assessments provide evaluation of solutions and feedback to industry and allow adjustments to government requirements. Viability assessments can capture and refine risk prior to source selection and award, reducing the need for several rounds of negotiations.

Protests

The Government Accountability Office (GAO) Report on Protests for fiscal year (FY) 2016, identified the following reasons for sustaining protests, in descending order of importance:

1. unreasonable technical evaluation
2. unreasonable past performance evaluation
3. unreasonable price/cost evaluation
4. flawed selection decision (GAO, 2016b)

The GAO report stated that in many cases agencies failed to meaningfully consider the merits of the evaluations or proposed prices. In response to this situation, the National Defense Authorization Act 2017 requires government agencies to submit a report on protests based on quantity and quality of information that vendors received both *before and after award* that affected the decision to file a protest. This congressional requirement underscores the attention being paid to communications with industry. Acquisition officials can improve the quality of information in proposals by responding to offeror concerns early in acquisition planning.

Companies can protest requirements included in the formal RFP and the final award decision. However, industry does not protest an RFI or feedback on their responses to that RFI, since it is advisory in nature. Viability assessments allow companies to understand why their solutions are unsatisfactory early in the acquisition process, which in turn can avoid submission of proposals that receive a negative evaluation and the potential of protest by unsuccessful offerors.

A viability assessment conducted during the RFI process may generate a sounder RFP package. A viability assessment conducted as part of the first step of an RFP down-select, the government provides an unsuccessful offeror all the documentation related to the evaluation, including evaluation results generated during a viability assessment. In the latter case, the vendor may decide not to protest the award because it understands that the company's proposed solution has little chance to win the award.



Designing a Viability Assessment

This section describes how program offices can design and execute a viability assessment during the acquisition planning phase. The key to designing the viability assessment is to incorporate the method into the existing acquisition planning process. This would include defining the requirements in terms of outcomes or functional characteristics, defining the format of responses, developing a scoring method, advertising the event through a request for information (RFI) to industry, evaluating submissions, and providing feedback to industry.

Defining the Requirements of a Viability Assessment

Describe the requirement in terms of the distinctive characteristics, quality attributes, or property features that are especially important for the system or service. The information requested should focus on critical characteristics of the requirement, not provide a full detailed specification. As an example, software is typically described in terms of features; the Institute of Electrical and Electronics Engineers (IEEE) defines the term *feature* in IEEE 829 as “a distinguishing characteristic of a software item (e.g., performance, portability, or functionality)” (IEEE, 2008).

Viability assessments may be used for information technology (IT) requirements, especially those that lend themselves to commercial product attributes and characteristics. Chapter 10, Vendor Lock, of *Open Systems Architecture (OSA) Contract Guidebook for Program Managers* provides a strategy to evaluate the viability of software before the RFP phase (OUSD[AT&L], 2013, p. 11).

Define the evaluation criteria and scoring mechanism. The team should decide whether scoring criteria for each characteristic should be numeric point scoring (for example, on a scale from 1 to 10), or adjectival (using qualitative descriptors ranging from “outstanding” to “unacceptable”).

Format for Responses

Program offices can define the responses for viability assessments based on several types of information from industry. These responses can follow a design or characteristic, as those used in a market research request, or a sophisticated challenge or scenario. Formats can take the form of a white paper stating relevant product capability or technical approach, or a more complex response, such as a demonstration of a proposed solution (The MITRE Corporation, n.d.).

The more extensive the responses, the more expensive the process for both sides. The RFI or RFP first step should instruct vendors to submit only a technical statement of features and characteristics of the product, and vendors should be expected to perform a small demonstration to validate the claims made in the statement.

Evaluation Criteria

Criteria can provide objective reference points for the government’s analysis. Some notional criteria based on characteristics of the system or service can include the following:

- Maturity level of commercial off-the-shelf (COTS)-based products
- Web-enabled solutions
- Product that can be configured or minimally customized to support unique requirements
- Product that can integrate into an enterprise infrastructure



- System that can interface with other systems internal and external to being acquired
- System that can interface with a data warehouse
- Innovative, cost-effective solution and implementation methodology to achieve desired objectives and results within the context of the solicitation

Scoring Responses

After the contracting office receives responses, the evaluation team scores the responses to each question and documents notes to support the scoring. Program offices can analyze the responses and then score them for purposes of feedback to industry. The generally accepted methods used in source selections to evaluate technical requirements can easily be adapted to viability assessments. These methods are as follows:

- **Pass/fail.** The government reviews the merits of submissions based on various criteria that lend themselves to a yes or no result. This may work well with known IT system characteristics, but would present a challenge for emerging, unproven technology.
- **Color scoring.** The government evaluates submissions based on grading criteria that depict levels of acceptability based on a color-coding scheme. This scoring can reflect strengths, weaknesses, and deficiencies in the product.
- **Adjectival scoring.** The government evaluates submissions by assigning adjectives that describe the level of quality. This scoring can also reflect strengths, weaknesses, and deficiencies in the product.
- **Risk.** The government can incorporate consideration of risk levels into the assessment if a proposed solution could cause problems with performance or overall system sustainment. Risk is normally described as low, moderate, or high.
- **Not Addressed.** If a vendor's response does not address a certain aspect of the requirement, the government provides no feedback on that portion of the requirement that is not address.

The Department of Defense (DoD) *Source Selection Procedures* contain evaluation criteria that suggest consideration of overall proposal risk in conjunction with strengths, weaknesses, significant weaknesses, uncertainties, and deficiencies in determining technical ratings for a source selection (OUSD[AT&L], 2016). Section 3.1, Evaluation Activities, Table 3, describes these criteria. Table 1 adapts that DoD table to apply specifically to viability assessments.



Table 1. Combined Technical/Risk Rating Method Rating

Color	Adjective	Rating Description
Blue	Outstanding	Viability assessment submission indicates an exceptional approach and understanding of the requirements and contains multiple strengths. Risk of unsuccessful performance is low.
Purple	Good	Viability assessment submission indicates a thorough approach and understanding of the requirements and contains at least one strength. Risk of unsuccessful performance is low to moderate.
Green	Acceptable	Viability assessment submission meets requirements and indicates an adequate approach and understanding of the requirements. Risk of unsuccessful performance is no worse than moderate.
Yellow	Marginal	Viability assessment submission has not demonstrated an adequate approach and understanding of the requirements. Risk of unsuccessful performance is high.
Red	Unacceptable	Viability assessment submission does not meet requirements, and thus, contains one or more deficiencies. Risk of unsuccessful performance is unacceptable. Product would not receive a successful award during full and open competition.

The evaluation team then provides a summary of the results, outlines discriminating differences, and compiles the scores for the different vendors, from highest to lowest, to identify the most viable solutions. The team can use a consensus process to mitigate outlier scoring or differing opinions. After reviewing the scores and rationale, the contracting officer and program manager determine the “most viable” companies.

Providing Feedback

The contracting officer notifies all respondents of their evaluation. Those companies that did not submit a viable solution are informed that they do not stand a good chance of success “with that proposed solution” for the pending solicitation. The contracting officer can offer to provide feedback on how the company scored in the evaluation. However, at no time does the contracting officer directly discourage that company from submitting an offer on the subsequent RFP. This process gives offerors whose solution was deemed non-viable the opportunity to decide whether to submit a bid once the formal solicitation process begins.

Measuring Value

Program offices can use the metrics shown in Table 2 to measure the value of applying viability assessments during the acquisition planning phase. Continuous review of known acquisition and contracting metrics will ensure that programs apply this method effectively and that it yields benefits.



Table 2. Viability Assessment Metrics

Metric	Used to Measure
Time to Award	Reduced lead time to reflect efficiency
Number of High-Quality Proposals	Reduced number of proposals that were not responsive to requirements, because the viability assessment made vendors realize they could not meet the requirements
Cost Control	Reduced cost over life of the system based on viable solutions
Number of Protests	Industry satisfaction with the process as being competitively fair
Timely Performance or Delivery	Contract performance resulting in shorter development and delivery timelines
Government/Contractor Relationship	Partnership between government and contractor to solve technical problems in program delivery; fewer technical changes or engineering change proposals Positive impact on acquisition process; less rework

Conclusions

Viability assessments can help the federal government instill confidence in the acquisition process to maximize competition among viable offerors. Industry can better understand requirements before submitting a formal offer, while gaining additional insight from their assessment results to improve future proposals. Contracting officers and program managers can apply this approach to refine their requirements before the formal RFP is released, thereby improving the likelihood that the proposed solutions would meet program needs.

Acquisition offices can use viability assessments when vendor solutions will likely vary widely and many companies can be expected to submit proposals. Such variance in solutions could occur when market conditions reflect many new entrants or when legacy systems require unique upgrades or emerging, unproven technology.

The following criteria would indicate use of viability assessments as an appropriate approach:

- Use of this method improves government knowledge of the marketplace and an ability to rapidly adopt new technology.
- An early engagement between government and industry leads to better quality proposals in the final evaluation process.
- This method complements Chapter 10, Vendor Lock, of *Open Systems Architecture Contract Guidebook for Program Managers* (OUSD[AT&L], 2013) by providing another method to evaluate viability of software before RFP phase.



References

- Federal Acquisition Regulation (FAR), 48 C.F.R., Part 7, Acquisition Planning (2018).
- Federal Acquisition Regulation (FAR), 48 C.F.R., Part 10, Market Research (2018).
- GAO. (2015, February). *Acquisition reform: DOD should streamline its decision-making process for weapon systems to reduce inefficiencies* (GAO-150192). Washington, DC: Author.
- GAO. (2016a, August). *GAO technology readiness assessment guide: Best practices for evaluating the readiness of technology for use in acquisition programs and projects* (GAO-16-410G). Washington, DC: Author.
- GAO. (2016b, December). *Re: GAO bid protest annual report to Congress for Fiscal Year 2016* (GAO-B-158766). Washington, DC: Author.
- Gilligan, J. (2016a, November). The cyber implications of acquisition speed: Part VII. *Signal Magazine*.
- Gilligan, J. (2016b, November). Shrinking pool of prospective bidders increases acquisition agility. *AFCEA Signal Magazine*.
- IEEE. (2008). *IEEE standard for software and system test documentation* (829-2008). New York, NY: Author.
- The MITRE Corporation. (n.d.). *Challenge-based acquisition handbook* (2nd ed.; PRS 13-3525). McLean, VA: Author.
- Office of Federal Procurement Policy. (2011, February 2). *Myth-busting: Addressing misconceptions to improve communication with industry during the acquisition process*. Washington, DC: Author.
- Office of Federal Procurement Policy. (2012, May 7). *Myth busting 2: Addressing misconceptions and further improving communication during the acquisition process*. Washington, DC: Author.
- Office of Federal Procurement Policy. (2017, January 5). *Myth-busting 3: Further improving industry communication with effective debriefings*. Washington, DC: Author.
- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]). (2013). *Open systems architecture (OSA) contract guidebook for program managers* (Version 1.1, Appendix 10). Washington, DC: Author.
- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]). (2016, April 1). *DOD source selection procedures*. Washington, DC: Author.

Appendix: Viability Assessment in Practice

DHS ICE Investigative Case Management System

The Department of Homeland Security (DHS) Immigration and Customs Enforcement (ICE) conducted a competitive acquisition to modernize an investigative case management information technology (IT) system, using viability assessments as part of their RFI and RFP process.



DHS ICE TECS Requirement

DHS ICE needed to modernize its mission-critical major IT development program, ICE Treasure Enforcement Communications System (TECS). This program provides the next-generation system for ICE Homeland Security Investigations (HSI) special agents.

Approach and Methodology

The RFI Process: DHS ICE released an RFI to industry through the Federal Business Opportunity (FEDBIZOPPS) website to solicit their input on potential contract types and performance-based requirements. DHS ICE issued a subsequent RFI to industry through Government Wide Acquisition Contracts (GWACs) and Multi Agency Contracts (MACs) to solicit capabilities and evaluate responses, using a specific set of questions and requirements for the desired capabilities. Because of this market research, DHS ICE decided to conduct a full and open competition for the TECS modernization.

The Multi-Step RFP Process: DHS ICE released RFP HSCETC-14R-0002 on May 2, 2014 and provided the ICE TECS system modernization objectives to modernize and simplify the case management technological infrastructure and improve data integration and information sharing. The DHS ICE conducted a public Industry Day on May 8, 2014, and provided the following acquisition strategy:

- HSCETC-14-R-00002 will be competed IAW FAR Part 15 as a full and open competition using a multi-step advisory down-select process.
- Offerors must participate in Step 1 (OCD) to be eligible to participate in Step 2 (Full Proposals).
- The full set of requirements will be provided to those offerors who participated in the Operational Capabilities Demonstration (OCD) and choose to proceed to Step 2 of the competition.

System Criteria: Within the RFP Section C, ICE defined the system by the following criteria:

- Mature COTS-based, web-enabled solution that can achieve delivering a production ready solution for formal integration testing for initial operation of the system
- System that can be configured or minimally customized to support unique requirements
- System that can integrate into the DHS and ICE enterprise infrastructure
- System that can interface with other specified systems that are internal and external
- System that can interface with the ICE Data Warehouse.

DHS ICE then required the offerors to provide, as part of their proposals, a Performance Work Statement (PWS) that would be evaluated and incorporated into the winning award.



Evaluation Process

DHS ICE RFP, Section M, included the following evaluation criteria:

M.3.1-STEP 1 (OPERATIONAL CAPABILITIES DEMONSTRATION) EVALUATION CRITERIA

Each Offeror's Operational Capabilities Demonstration (OCD) will be evaluated using the following factor to determine their current solution's viability:

FACTOR 1: Maturity of the Offeror's current system to meet requirements of OCD:

The Offeror's ICM system must demonstrate a high level of existing capability to meet the requirements of the OCD. Step 1 is meant to provide an advisory down-select to Offerors with the potential for success at an acceptable level of risk.

The system proposed by the Offeror during the OCD will be evaluated as to whether they have demonstrated the ability to meet the requirements of the preplanned scenario provided by the government, and whether they are likely to be a viable competitor in accordance with the criteria set forth below. These criteria will be used to rate each Offeror's OCD.

The degree to which the proposed investigative case management system demonstrates existing ("out of the box") capability to substantially meet the system capabilities of the preplanned scenario of the OCD with a potential for success in Step 2 at an acceptable level of risk. The Contracting Officer will notify each Offeror, in writing, by e-mail of the results of their OCD evaluation. Offerors who are notified that they are unlikely to be a viable competitor are encouraged to evaluate their likelihood of receiving an award and decision to continue to Step 2.

Any Offeror who provides an OCD in Step 1 may participate in Step 2.

M.3.2-STEP 2 EVALUATION CRITERIA

Proposals will be evaluated using the following three (3) factors to make a best value determination:

FACTOR 1: Technical: Sub-factor 1: Technical Approach; Sub-factor 2: Management Approach

FACTOR 2: Past Performance

FACTOR 3: Business & Price

DHS ICE RFP, Section L, included instructions on the OCD and the evaluation process:

L.3.1 OCD Instructions. HSCETC-14-R-00002 will be competed as a multi-step advisory down-select process. The requirements in the RFP posting are a sub-set of the entire requirements package which contains Law Enforcement Sensitive (LES) requirements. The requirements provided in the RFP are sufficient to allow Offerors to prepare for the Operational Capabilities Demonstration (OCD). The full set of requirements (including LES information) will be provided to those Offerors who participated in the OCD and choose to proceed to Step 2 of the competition. Offerors must participate in Step 1 to be eligible to receive the LES information and participate in Step 2.



L.3.2. STEP 1 OCD. To continue to Step 2 and receive the full list of requirements, each Offeror must perform an OCD to test and validate their system's maturity and capability in meeting the requirements of the ICE Investigative Case Management (ICM) System. These demonstrations will require each Offeror to execute a predefined scenario of critical capability and then allow the government operators an opportunity to execute additional tasks that encompass the same system capabilities as the predefined scenario. This scenario will require the Offeror to demonstrate system capabilities.

The result of Step 1 is an advisory down-select. After all OCDs have been conducted, the Offerors will be notified in writing as to whether they appear to be a viable competitor for Step 2. OCDs will be evaluated in accordance with Section M.2.2-STEP 1. Although all Offerors that participated in the OCD are eligible to participate in Step 2, Offerors who appear to be nonviable based on the evaluation of their OCD are provided an opportunity now to make the business decision as to whether it is in their best interest to continue to Step 2.

L.3.3 STEP 2 WRITTEN PROPOSALS. Law-Enforcement Sensitive Information: Those Offerors who choose to proceed to Step 2 shall submit an e-mail to ICE with their intent to participate in Step 2; this e-mail must be received by 2:00 pm EDT on the third business day of receipt of the viable/non-viable down-select letter. All Offerors will have 30 days from receipt of the LES information to provide Step 2 written proposals:

Results

DHS awarded the ICE ICM Solution contract on September 26, 2015, which was 60 days after receipt of Step 2 proposals. DHS made the contract award with no protests of the award decision.

Disclaimer and Distribution Statement

The views, opinions, and/or findings contained in this report are those of The MITRE Corporation and should not be construed as an official government position, policy, or decision, unless designated by other documentation.

Approved for Public Release; Distribution Unlimited. 17-4802-4

©2018 The MITRE Corporation. All rights reserved. McLean, VA





ACQUISITION RESEARCH PROGRAM
GRADUATE SCHOOL OF BUSINESS & PUBLIC POLICY
NAVAL POSTGRADUATE SCHOOL
555 DYER ROAD, INGERSOLL HALL
MONTEREY, CA 93943

www.acquisitionresearch.net