

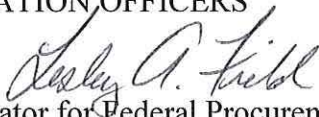


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

April 30, 2019

MEMORANDUM FOR: CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
CHIEF INFORMATION OFFICERS

FROM: Lesley A. Field 
Deputy Administrator for Federal Procurement Policy

SUBJECT: “Myth-Busting #4” – Strengthening Engagement with Industry
Partners through Innovative Business Practices

The purpose of this memorandum is to improve awareness of vendor engagement strategies that Federal procurement thought leaders are using to create a more responsive buying process, modernize the acquisition culture, and deliver greater value to the taxpayer. The memorandum also asks each Chief Financial Officers Act (CFO Act) agency to ensure it has designated an industry liaison to work with the agency’s Acquisition Innovation Advocate (AIA), the Office of Small Disadvantaged Business Utilization (OSDBU), and other key acquisition personnel to promote modern vendor communication practices and counter misconceptions that drive today’s risk aversion culture.

The President’s Management Agenda challenges agencies to deliver 21st century services by modernizing information technology, increasing transparency and accountability, and building a modern workforce.¹ To keep up with the rapidly accelerating pace of technological change, a number of agencies have sought better ways to communicate with industry so they can better understand the commercial marketplace, attract new contractors, and encourage current partners to use new processes and develop, test, and offer more modern solutions. Despite this progress, the pace of adoption has been limited relative to the total volume of activity that potentially could benefit from these efforts; only a fraction of our transactions are using these new ways of doing business. For this reason, the Office of Federal Procurement Policy (OFPP) is taking two steps to improve awareness of these modern communication practices.

First, OFPP is using its long-standing “myth-busting” campaign to spotlight how front line acquisition officials and managers have been challenging entrenched ideas about engagement between the public and private sectors. Attachment 1 highlights ten misconceptions related to innovative practices and showcases successful agency efforts. As additional myths are identified and new practices evolve, new examples will be posted on the Innovation Hub² of the Acquisition Gateway to foster dynamic conversations among the acquisition workforce.

¹ [The President’s Management Agenda \(https://www.whitehouse.gov/omb/management/pma/\)](https://www.whitehouse.gov/omb/management/pma/).

² <https://hallways.cap.gsa.gov/app/#/gateway/acquisition-innovation-0>.

Second, OFPP is asking each CFO Act agency to ensure an industry liaison has been publicly designated to serve as a conduit among acquisition stakeholders and promote strong agency vendor communication practices. At a minimum, the liaison should:

- i. promote timely responses to general vendor requests where appropriate, including from new entrants and small businesses;
- ii. help program and acquisition personnel develop strategies for engaging potential vendors that can provide capabilities necessary to achieve agency missions;
- iii. review and update, as appropriate, the vendor communication plan that the agency developed in 2011 to improve interaction throughout the acquisition lifecycle;³
- iv. work with the agency's AIA and OSDBU to drive practices, such as those in Attachment 1 – as well as those highlighted in prior myth-busting memoranda (summarized in the Attachments 2 and 3 desk guides) – that improve communication with vendors;⁴
- v. encourage vendor feedback on agency acquisitions, such as through use of Acquisition 360⁵ and, to the extent possible, monitor marketplace interest in agency requirements; and
- vi. share stories on the Innovation Hub to promote adoption of good communication practices.

The name and contact information for the industry liaison should be sent to OFPP within 30 days of the date of publication of this memorandum to Iulia Manolache at imanolache@omb.eop.gov (see further for details). This designation sends an important and encouraging message to industry that the agency values a contractor's time and understands the value of communication. Equally important, a liaison can be a key resource for the members of the agency's integrated product team as they study the market and develop requirements.

³ OFPP's 2011 guidance included details on the required elements of the vendor communication plan. *"Myth-Busting": Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process*, p. 2 (February 2011). Agency plans should be updated with information on how to contact the liaison and the agency's AIA, with debriefing best practices in the third Myth-Busters guidance, and with guidance on using innovative technique and resources contained in this memorandum.

⁴ The first two myth-busting memos continue to provide relevant and essential guidance for improving engagements with industry, and have each been summarized as one-page Quick Reference Desk Guides in Attachments 2 and 3 respectively. OSDBUs, Small Businesses Specialists, AIAs, industry liaisons, and contracting officers are encouraged to share the second guide and underlying memorandum with vendors who may need guidance on the best and most productive ways to engage with the acquisition team.

⁵ Through vendor surveys and debriefings, acquisition personnel can gauge specific industry feedback on a particular procurement and improve the acquisition processes of future procurements. Two government-wide iterations of the OFPP Acquisition 360 survey initiative were completed in 2015-2016 and 2016-2017, reaching thousands of vendors. The surveys helped agencies identify specific areas where the agency excelled and needed to improve throughout the acquisition lifecycle. Efforts to institutionalize and increase the use of the Acquisition 360 survey are currently underway. <https://d2d.gsa.gov/report/acquisition-360>; <https://www.federalregister.gov/documents/2018/07/23/2018-15355/federal-acquisition-regulations-use-of-acquisition-360-to-encourage-vendor-feedback>.

Agencies that have publicly identified an industry liaison and promote collaboration opportunities with industry partnerships are able to maximize return on resource investment. For example, the Department of Homeland Security (DHS) which has dedicated headquarters and component industry liaisons,⁶ routinely hosts industry day events and small business vendor outreach sessions and posts such events on an industry-government activity calendar.⁷ In awarding the Alliant 2 and Alliant 2 Small Business contracts, the General Services Administration (GSA) created an industry representatives working group to hold outreach events with trade organizations and public-private partnerships to increase vendor input. In addition, GSA has designated a full-time Procurement Ombudsman⁸ who provides an informal and neutral forum for industry and vendor associations to voice feedback on agency acquisition processes and promotes innovative contracting practices. Industry has acknowledged such agencies for being responsive to inquiries and flexible in their interactions with potential vendors.

Please provide your agency's industry liaison contact within 30 days of the date of publication of this memorandum to Iulia Manolache in OMB OFPP at imanolache@omb.eop.gov and contact OFPP at (202) 395 7579 for additional information.

cc:

Agency General Counsels
Office of Small Disadvantaged Business Utilization
Acquisition Innovation Advocates

⁶ Publicly available list of DHS industry liaisons: <https://www.dhs.gov/department-homeland-security-industry-liaisons>.

⁷ <https://www.dhs.gov/small-business-vendor-outreach-sessions>.

⁸ <https://www.gsa.gov/policy-regulations/policy/acquisition-policy/gsa-ombudsman>.

ATTACHMENT 1: ADDRESSING MISCONCEPTIONS AND FACTS ON INNOVATIVE PRACTICES DURING THE ACQUISITION

This attachment addresses ten myths to help improve interactions between the government and industry. The first three misconceptions address key issues in acquisition innovation. The remaining misconceptions address communicating with industry, from agency strategic planning to market research and source selection. Each misconception is followed by facts and actual agency steps that have been successfully implemented by various Federal agencies.⁹

Misconception #1: “Using innovative business strategies to the Federal contracting process is not a core program management or contracting office responsibility in meeting mission needs.”

Fact: Applying new and innovative ways of conducting the Government’s business is a critical, core responsibility of contracting staff, integrated project teams, and the agency’s senior leadership. In fact, the Federal Acquisition Regulation (FAR) 1.102-4(e) specifically charges acquisition officials with encouraging business process innovations and promotes the use of a wide variety of strategies and practices to ensure that mission requirements are met.

Agency Innovation in Action

- All CFO Act agencies have designated Acquisition Innovation Advocates who lead acquisition innovations and share best practices and procurement developments.¹⁰
- DHS’s Procurement Innovation Lab (PIL) provides guidance, coaching, and support to the Department’s acquisition workforce to test unique acquisition approaches and to further refine and share innovative practices. Successful PIL strategies are compiled in the annual PIL report¹¹ and can be implemented throughout other agencies.
- GSA maintains the Procurement Innovation Resource Center, an internal resource space, which provides guidance and tools to assist acquisition teams incorporate innovative strategies into procurements.¹²
- The Innovation Hub¹³ on the Acquisition Gateway promotes interaction and provides agency use cases and strategies that maximize vendor collaboration.
- The acquisition workforce can use the Acquisition Open Opportunities skill-building platform to collaborate on innovative buying practices.¹⁴

⁹ OFPP plans to maintain the myth-busting series as “living documents” that will be continually updated with agency examples and best practices. The memorandums will be posted on the Innovation Hub and will feature the myths and facts in a sortable format as applied to the procurement lifecycle. The acquisition workforce will be able to upload stories and best practices from their agency and share operational tips on how to implement innovative approaches to promote effective interactions with the private sector.

¹⁰ <https://hallways.cap.gsa.gov/app/#/gateway/acquisition-innovation-0/7822/acquisition-innovation-advocates-aia-directory>.

¹¹ <https://www.dhs.gov/sites/default/files/publications/PIL%20ANNUAL%20REPORT.pdf>.

¹² <https://www.gsa.gov/policy-regulations/policy/acquisition-policy/procurement-innovation-resource-center-pirc>.

¹³ <https://hallways.cap.gsa.gov/app/#/gateway/acquisition-innovation-0>.

¹⁴ <https://openops.usajobs.gov/tasks?career=Acquisition>.

Misconception #2: “Complying with the FAR’s complex requirements drives long procurement lead times that cannot be shortened in any material way.”

Fact: The FAR provides flexibility to meet mission needs, including large, mission-critical requirements, in a timely and even expedited manner. Over the last several years, an increasing number of agencies, supported by their AIAs, have shortened the time from requirements identification to solution delivery – sometimes by 50% or more – by making a concerted effort to consider all available options under the FAR, and not just resorting to past practice. These efforts have resulted in consideration and use of long-recognized, but underutilized, strategies described in the FAR, such as oral presentations and multi-phase advisory down-selects. Efforts have also led to approaches not expressly envisioned but not prohibited by the FAR, such as confidence ratings and on-the-spot consensus evaluations with minimal or no individual evaluation write-ups.

Pursuit of procedures and practices not addressed specifically in the FAR is encouraged by the FAR itself at FAR 1.102-4(e), which states *“If a policy or procedure, or a particular strategy or practice, is in the best interest of the Government and is not specifically addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, Government members of the [Acquisition] Team should not assume it is prohibited. Rather, absence of direction should be interpreted as permitting the Team to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority. Contracting officers should take the lead in encouraging business process innovations and ensuring that business decisions are sound.”*

The figure below lists more than 20 strategies and tools, sanctioned either directly or indirectly by the FAR, that are used with increasing frequency across the arc of acquisitions over the last 2-3 years. These tools help reduce costly paperwork and unnecessarily lengthy evaluation processes while simultaneously increasing customer satisfaction with contractor performance. The Innovation Hub currently features more than 50 stories from 10 agencies demonstrating currently available acquisition authorities to achieve results on or ahead of time.

How Agencies are Using the FAR to Drive Innovation

Acquisition Planning

- Industry Liaisons, Reverse Industry Days, and Strategic Conversation Days
- AIAs and Digital Services Trained Contracting Officers
- Agile Methodology
- TechFAR & Professional Services Hubs
- Facilitated Requirements, Development Workshop & Structured Peer Reviews
- Challenge-based & share-in-savings contracts

Purchase Request & Solicitation

- Leverage Best In Class (BIC) Contracts
- Scenarios in Solicitations
- Include Government Estimated Price
- Multi-phase Down Selections
- Proposal Page Limits
- Simplified Procedures for Commercial Item Buys
- 8(a) Digital Initiative

Proposal Evaluation & Award

- Oral Proposals & Presentations
- Product or Technical Demonstrations
- Confidence Ratings
- Same Day Challenges & Evaluations
- Non-monetary Incentives (ex: award term)
- Simplified Best Value Analysis
- Human Centered Design Evaluations & Prototypes
- Oral / Group Debriefings

Agency Innovation in Action

- The National Security Agency (NSA) and Department of Homeland Security (DHS) use multi-phased evaluations to narrow the number of offerors at each step in order to minimize time spent completing evaluations and reduce costs to vendors who would likely not be successful.
- The Small Business Administration (SBA) 8(a) digital service initiative, developed in collaboration with the U.S. Digital Service, resulted in a new tool¹⁵ for contracting officers to quickly procure digital services. This is helping agencies implement the Digital Service Playbook¹⁶ and TechFAR¹⁷ strategies with lowered risk and begin iterative development with little procurement lead time.
- Veterans Affairs (VA) Technical Acquisition Center buys “micro-consulting services” on an open source platform (GitHub) to rapidly upgrade software supporting veteran website applications using

¹⁵ <https://techfarhub.cio.gov/initiatives/8a/>.

¹⁶ <https://playbook.cio.gov/>.

¹⁷ <https://playbook.cio.gov/techfar/>.

recently expanded micro-purchase authority provided by Congress in 2017.¹⁸ The Center's Transformation Twenty-One Total Technology - Next Generation (T4NG)¹⁹ suite of contracts uses streamlined acquisition procedures under FAR 16.5, with an average procurement acquisition lead time of 45 days, to procure total Information Technology solutions; and uses FAR 13 to procure digital services under \$7 million in less than 30 days from release of solicitation.

- DHS used simpler and faster source selection processes to award a multi-million dollar contract to upgrade e-Verify²⁰ and migrate a legacy data system to the cloud in less than half the time typically required, while exceeding customer expectations. DHS used a standard solicitation format, employed a two step down-select process, inviting only the most highly rated offerors to proceed to phase two technical demonstrations, and released the independent government estimate price range to help set the scope of the work.
- Department of Energy Advanced Research Projects Agency (ARPA-E) regularly uses FAR 39.103, which promotes the use of smaller acquisition increments to reduce risk, in order to execute modular contracting in discrete phases prior to the delivery of a minimally viable product.
- The National Aeronautics and Space Administration (NASA) contracting officers use Price Performance Trade-Off (PPTO), or another streamlined approach to evaluate mission suitability, to help procure products and services in a more efficient manner. When mission suitability is the primary consideration, NASA only focuses on the most important features of the procurement, and offerors provide targeted information in their proposal to demonstrate technical ability. As a result, technical proposals are about one third as long – sometimes as few as 10 pages for complex subject matter.
- General Services Administration (GSA) converted from short-term to long-term building and real estate leases allowing for more financing predictability which in turn provides the government with better rental rates.

Misconception #3: “Non FAR-based acquisition authorities (i.e., authorities that cannot be exercised under the FAR) are never available for general use by agencies and are designed to be considered only on a limited basis for unique needs and circumstances.”

Fact: While agencies must have authority to use acquisition tools that would otherwise not be allowed under the FAR, agencies may also leverage a number of non-FAR based authorities by working with other agencies that do maintain such authorities. These include joint-venture authority vested in the Department of Commerce (DOC) and “Commercial Solutions Opening” authority given to GSA, which may offer benefits to address a wide range of agency needs across the government – including requirements for emerging technologies to fight cyber threats or in support of IT Modernization, such as for cutting edge IT applications for improved data management. These authorities are not meant to replace the FAR, but rather to provide additional alternatives beyond what the FAR currently allows, so that agencies have increased options in situations where the FAR and its flexibilities (as described in the prior fact) may not provide an optimal solution. DOC and GSA have established guardrails to work with agencies in using their authorities.

¹⁸ <https://fcw.com/blogs/lectern/2018/03/kelman-contracting-innovators.aspx>.

¹⁹ <https://www.va.gov/opal/tac/t4ng.asp>.

²⁰ https://www.performance.gov/PMA/Presidents_Management_Agenda.pdf.

Other non-FAR based authorities have been made generally available to agencies, such as Prize and Challenge authority under the America COMPETES Act.²¹ While not focused on acquisitions, this authority can help the government acquire innovative solutions from non-traditional contractors. In recent years, prizes and challenges have been successfully used to foster innovation and solve complex problems while saving taxpayer dollars. The Challenges & Prizes Community of Practice²² promotes effective use of this authority through the sharing of stories and experiences.

Some authorities are limited to certain specific agencies. One example is Other Transactions Authority (OTA),²³ which is designed to facilitate access to non-traditional government contractors. The list of authorized agencies has grown in recent years, and Congress has broadened the authority so that its benefits can be applied to support a wider range of requirements.

Agency Innovation in Action

- GSA's Commercial Solutions Opening (CSO) is available for all agencies to quickly access innovative commercial technologies. The CSO provides alternative procedures to those in the FAR, such as use of Broad Agency Announcements (otherwise reserved to R&D activities), for buying emerging commercial technologies. It also offers simplified contract terms and fast-track vendor selection timelines to attract start-up companies and those new to the Federal marketplace.²⁴
- The Transportation Security Administration (TSA) conducted an open prize competition to develop algorithms that improve the accuracy of the Advanced Imaging Technology (AIT) scanners with the goals of breaking down barriers for entry in this field, which has historically been limited to a pool of vertically integrated companies, and discovered new capabilities that had been overlooked. This \$1.5 million prize resulted in over 200 algorithm submissions (from individuals and companies). Eight algorithms received prize money, providing the government with use to the algorithms, enabling TSA to increase the capabilities of this mission critical screening technology.²⁵
- The Department of Commerce's National Technical Information Service (NTIS) has made its Joint Venture authority available for agencies to rapidly access small and large businesses, nonprofits and research groups to provide agile capacity to meet critical mission data priorities. NTIS has partnered with buying organizations across the government to facilitate early problem definition and access to emerging technologies and prototype development, including for the migration of critical citizen service operations to the cloud.²⁶
- OFPP and the US Digital Services (USDS) held a reverse industry day to receive industry feedback and conducted a challenge²⁷ under the COMPETES Act to create incentives for private-sector entities to develop and demonstrate how they would conduct experiential training, which reduced evaluation time

²¹ 111 P.L. 358; "America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Reauthorization Act of 2010."

²² <https://digital.gov/communities/challenges-prizes/>.

²³ <https://www.gao.gov/assets/680/674534.pdf> (see page 35 of the report which lists DOD, DOE, ARPA-E, HHS, NIH, DHS, TSA, FAA, DOT, and NASA as agencies authorized to use other transaction agreements).

²⁴ <https://www.gsa.gov/policy-regulations/policy/acquisition-policy/procurement-innovation-resource-center-pirc#CSOProcedure>.

²⁵ <https://dhsocpo.adobeconnect.com/pfvvachq6q7d?launcher=false&fcsContent=true&pbMode=normal> (government-view only).

²⁶ <https://www.ntis.gov/>.

²⁷ <https://www.challenge.gov/toolkit/>.

and led to the Federal government's first hands-on developmental program for digital IT acquisition training.

- Using Prize authority, NASA's Astronaut Email Challenge aimed to fix a problem with the International Space Station (ISS) email system's ability to handle large file attachments for astronauts. NASA awarded 12 winners a total of \$23,638 for software solutions that are beginning the process of flight certification for use on the ISS. NASA estimates it would have cost \$193,000 to fix the issue in-house, whereas the challenge format cost only about \$81,000, a 42 percent savings.

Misconception #4: "Before a potential procurement starts, it is not valuable for government personnel to engage with industry representatives to discuss substantive agency strategic and planning needs."

Fact: To maximize market research efforts, agencies are encouraged to engage vendors early in the planning process to learn about market capabilities and ways that industry may fulfill requirements in non-traditional ways. Acquisition offices can also partner with companies to acquire business intelligence to help the government position itself with better pricing and negotiation strategies, more meaningful evaluation criteria, and improved terms and conditions (so long as the respective entity does not disclose procurement specific information and does not compete on the procurement).²⁸

As articulated in previous OFPP myth-busting guidance (see Attachments 2 and 3), program managers, small business specialists, contracting officers, and other members of the workforce are also encouraged to hold one-on-one conversations with industry, when appropriate, to gain information that may not be shared by industry in a more public setting. These exchanges foster business partnerships while capturing industry feedback to improve acquisition planning and requirements definition.

Agency Innovation in Action

- The Department of Defense (DOD)²⁹ and GSA³⁰ offer a public website forecasting agency needs which enables industry to respond to future solicitations and propose innovative solutions.
- GSA's Ombudsman has a public facing website with resources and links to information valuable to industry and the acquisition workforce in navigating the Federal marketplace.³¹ GSA hosts quarterly meetings with industry associations to discuss agency and government-wide acquisition. GSA also conducts regular "Can We Talk" sessions that bring together representatives from government and industry in informal settings to discuss general challenges in Federal acquisitions. These sessions are recorded and made available for training the acquisition workforce.

²⁸ In partnering with industry representatives, government staff, including industry liaisons, should balance FAR 9.5 requirements to limit conflicts of interest and to ensure that agencies do not inadvertently reduce the field of competition by precluding a potential offeror from participating in a future procurement.

²⁹ <https://www.acq.osd.mil/mibp/dashboard/default.html>.

³⁰ <https://www.gsa.gov/buying-selling/forecast-of-contracting-opportunities>.

³¹ <https://www.gsa.gov/policy-regulations/policy/acquisition-policy/gsa-ombudsman>

- DHS hosts meetings with industry representatives to discuss agency-wide program objectives and strategies at their “Strategic Industry Conversation” events.³² DHS also publicly maintains contacts for dedicated industry liaisons who often meet with industry representatives and facilitate meetings with these representatives and government personnel.³³
- NASA frequently conducts industry days for major procurements to offer industry the opportunity to learn about the upcoming procurements and the NASA mission. Additionally, before the release of the final RFP, NASA routinely allows interested contractors an opportunity to meet with the contracting officers and program personnel to clarify any issues concerning the upcoming procurement.
- VA’s Technical Acquisition Center holds routine industry visits during which VA assists vendors in linking with appropriate program representatives. Vendors are provided the opportunity to brief on core capabilities, deliver product demonstrations, and share solutions that apply to VA’s strategic mission. VA also hosts an annual Industry Engagement event where senior leadership discusses anticipated strategic needs with industry.

Misconception #5: “The best way to engage with industry during the planning phase is through a written request for information.”

Fact: Requests for Information (RFIs), while useful, can result in a static, one-way exchange where agencies do not have the resources to respond and vendors do not have the opportunity to demonstrate their capabilities. However, agencies can conduct virtual meeting sessions (live RFIs) and can schedule separate virtual presentations for potential offerors to demonstrate solutions with contracting officers, program managers, and others. This type of pre-solicitation engagement can improve cost savings, increase competition, promote small business participation, and help define technical requirements. Feedback and input from industry through RFIs, which should not mirror proposal submissions, can inform the government on market capability; which companies are interested in a specific acquisition; pricing strategies that align with market models; critical performance areas that can inform evaluation criteria; and industry input on proposal submission.

As a reminder, acquisition personnel can and should respond to submissions from industry and follow-up with industry to further understand the marketplace and how industry can best help agencies meet their mission.

Agency Innovation in Action

- In conjunction with industry days and pre-solicitation conferences, the Department of Education uses the RFI as an invitation to industry to provide feedback on all aspects of the planned procurement before posting the solicitation. Posted along with a draft requirements document, the RFIs request feedback on the feasibility of the planned contract type, the project schedule, the North American Industry Classification System (NAICS) code and Product Service Code (PSC), as well as if there are any barriers to competition or small business subcontracting.

³² <https://www.dhs.gov/publication/dhs-strategic-industry-conversation>.

³³ <https://www.dhs.gov/aiim>.

- In its RFI for the government's Technology Business Management initiative, GSA hosted a virtual industry event where acquisition personnel responded to questions from interested parties. Following the event, vendors submitted proposals for individual virtual presentations and one-on-one demos of their solutions.
- The Overseas Private Investment Corporation (OPIC), in collaboration with the U.S. Peace Corps, Pension Benefit Guaranty Corporation (PBGC) and the Small Business Administration (SBA), organized a Women-Owned Small Businesses and Information Technology Contracting Opportunities Industry Day where more than 100 women owned small businesses participated to learn about Federal contracting and multi-agency IT buying needs. As a result, OPIC exceeded the small business target goal set by SBA and awarded nearly 9% of the value of all OPIC contracts to women-owned small businesses.
- VA's Construction and Facility Management office has a standard practice of directly engaging industry before major projects to gauge potential workforce shortages and understand small businesses' ability to fulfill the government's requirements. The office has held over 11 industry day meetings during a 15-month period on-site of the proposed construction projects to gain information before solicitations are developed.

Misconception #6: "Advising vendors to withdraw from participating in an acquisition, even if a vendor is not qualified and unlikely to receive the award, will not save time because all vendors would want to continue to the next phase of the review."

Fact: In an advisory, multi-step, down-select process, contracting officers can recommend that vendors whose initial proposals suggested they were unlikely to be successful withdraw from further participation in a procurement to avoid incurring proposal preparation costs.³⁴ The advisory down-select process benefits both the government and industry, especially small businesses, as it helps conserve time, staffing, and cost resources when it is clear that some vendors are unlikely to be selected.

Agency Innovation in Action

- Through a down-select, multiple-step process, DHS provided advisory notifications to vendors who were unlikely to receive an award based on responses to a specific phase of the solicitation. The advisory notice also gave the vendor the option to be considered for the next phase of the procurement if the vendor elected to remain under consideration. Over a dozen procurements conducted through the DHS Procurement Innovation Lab (PIL) have used advisory notifications in a down-select process.³⁵ Through those procurements, more than 200 companies have received advisory notifications not to proceed to the next phase of the procurement and only one company has decided to move forward irrespective of the government's advice.
- VA's Technical Acquisition Center used FAR 13 Simplified Acquisition Procedures to require potential vendors to submit brief case studies demonstrating their ability to implement their proposed Content

³⁴ The advisory down-select process is not necessary when proposals are insufficient and do not meet required capabilities.

³⁵ The DHS Procurement Innovation Lab (PIL) tracks the relevant solicitations and can provide the advisory down-select solicitation language to other Federal agencies and procurement offices.

Management System in adherence to practices found in the Digital Services Playbook.³⁶ VA then advised the vendors that did not meet the requirements in case the vendors wanted to withdraw from consideration.

Misconception #7: “Product demonstrations are too complex and provide limited value for acquisition personnel.”

Fact: The “show me, don’t tell me” approach enables potential vendors to actually demonstrate the product and/or services instead of filling out paperwork to explain how the product and/or service would meet the government’s needs. Such presentations allow companies to exhibit their capabilities and enable agencies to understand relevant products and services before making an award.

Agency Innovation in Action

- DHS uses product demonstrations to test vendor’s capabilities with end-users before acquiring the product, which results in streamlining the acquisition and saving bid and proposal cost.³⁷
- VA’s Technical Acquisition Center employs demonstrations to evaluate a vendor’s capability by asking potential vendors to develop a working prototype during a set time period (ranging from four hours to ten business days) and then having the potential vendors present the prototype on site. The VA also uses prospective program customers to test code during source selection before deciding on the most capable vendor.

Misconception #8: “The best way to evaluate a vendor’s past performance is to look at the Past Performance Information Retrieval System (PPIRS).”

Fact: Contracting officers should use any and all information in their evaluation of offeror experience. FAR 15.305(a)(2)(ii) requires the contracting officers to consider information obtained from any source when evaluating past performance. The source selection authority shall determine the relevance of any similar past performance information. Aside from the PPIRS ratings, source selection panelists can assess and document vendor performance from numerous sources, including (but not limited to): previous contracting officers, news media, reliable commercial sources of performance information, state and local governments, and other references.³⁸

³⁶ <https://playbook.cio.gov/>.

³⁷ <https://www.dhs.gov/publication/pil>.

³⁸ <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/procurement/memo/making-better-use-of-contractor-performance-information.pdf>.

- VA's National Acquisition Center, in addition to the PPIRS information, references other customers' reviews and available reports such as financial reports to complete their past performance evaluation.
- During the source selection process, the Drug Enforcement Agency (DEA) routinely conducts on-site visits of nationwide hazardous waste dispatch centers to assess vendors' adherence to industry standards. This practice allows for first-hand observation of how efficiently the vendors dispatch certified crew members along with the required equipment to a location under special circumstances.

Misconception #9: To help prevent protests, source selection officials should only use precisely defined adjectival ratings and avoid using confidence intervals in evaluating an offeror's capabilities."

Fact: Source selection panelists can assess their level of confidence that an offeror can perform the work using a range of certainty instead of a precise rating criteria.³⁹ Confidence ratings provide evaluators the ability to look more holistically at the strengths and weaknesses of an offer and are often more helpful to a selecting official. Aside from the proposal materials, source selection panelists can assess vendor capabilities using numerous sources, including (but not limited to): previous contracting officers, news media, reliable commercial sources of performance information, state and local governments, and other references.⁴⁰

- DHS has successfully used confidence ratings for technical, non-price factors (not just past performance and corporate experience) on several procurements that were conducted through their innovation lab. The PIL provides sample solicitation language to reference confidence ratings and includes tips for the selection panel on how to evaluate vendors.⁴¹
- NASA established an internal Source Selection Community of Practice Working Group to standardize source selection best practices across NASA Centers. The group ensures that agency evaluation practices are standardized for various contract types and that contractors' price proposals are being evaluated consistently.

Misconception #10: "Agency personnel are generally prohibited from engaging directly with associations and other government-focused industry groups because of ethics considerations."

Fact: Ethics laws and regulations do not generally prohibit federal employees from joining associations or other industry groups, and agencies are encouraged to promote appropriate workforce and leadership participation to

³⁹ Confidence ratings may be used under FAR Subpart 8.4 (schedules), Part 13 (Simplified Acquisitions), Subpart 15.3 (source selections), and 16.505 (multiple-award IDIQ contracts). The levels of confidence must be supported by facts documenting how the offeror understands the requirement and its ability to successfully provide the goods and/or perform the services.

⁴⁰ <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/procurement/memo/making-better-use-of-contractor-performance-information.pdf>.

⁴¹ <https://www.dhs.gov/sites/default/files/publications/PIL-BOOT-CAMP-WORKBOOK.pdf>.

discuss ideas and solutions. Collaborative engagements may include: co-training alongside industry partners, attending industry-hosted workshops, joint conference panel participation, and industry demos.

The government always benefits from constructive communication with industry; associations, non-profits, and related organizations can help acquisition professionals understand changing market dynamics and how these impact procurement strategies. For example, better understanding of a company's decision to bid or not bid, and the work associated with this decision, can drive process improvements that invite more effective competition.

Agency Innovation in Action

- OFPP and AIAs have led exchanges with various industry associations, and government and industry representatives often participate on discussion panels, deliver training in town-hall gatherings, and plan acquisition innovation initiatives.⁴²
- GSA meets quarterly with industry associations to discuss acquisition initiatives, and collaborates with various associations to deliver presentations and trainings at major industry events.
- VA's National Acquisition Center and Construction and Facility Management Office hold monthly and quarterly open forums with industry associations to be updated on innovative private sector practices.
- The Department of Health and Human Services (HHS) Acquisition Team participated in an emerging technology event where the team learned from industry and government experts about artificial intelligence technologies and had the opportunity to pose questions relevant to the agency mission.⁴³
- DOD, Treasury's Internal Revenue Service (IRS), GSA, and DHS hold regularly scheduled "reverse industry days" where industry representatives present their perspectives to help educate the acquisition workforce on the industry-side's activities and considerations.
- One government-industry partnership is working to accelerate the adoption of innovative practices in furtherance of the President's Management Agenda (PMA) through initiatives that will organize community discussions around different dimensions of innovation – by problem, practice, authority, and culture.

⁴² <https://techfarhub.cio.gov/initiatives/aia/>.

⁴³ Official video of the event presentation and question and answer portion are available at <https://www.youtube.com/watch?v=zaz-CTy6isi>; <https://www.hhs.gov/sites/default/files/hhs-buysmarter-journey.pdf>.

ATTACHMENT 2 QUICK GUIDE: “MYTH-BUSTING #1: ADDRESSING MISCONCEPTIONS TO IMPROVE COMMUNICATION WITH INDUSTRY DURING THE ACQUISITION PROCESS”⁴⁴

1.	<p>Misconception – “We can’t meet one-on-one with a potential offeror.”</p> <p>Fact – Government officials can generally meet one-on-one with potential offerors as long as no vendor receives preferential treatment.</p>
2.	<p>Misconception – “Since communication with contractors is like communication with registered lobbyists, and since contact with lobbyists must be disclosed, additional communication with contractors will involve a substantial additional disclosure burden, so we should avoid these meetings.”</p> <p>Fact – Disclosure is required only in certain circumstances, such as for meetings with registered lobbyists. Many contractors do not fall into this category, and even when disclosure is required, it is normally a minimal burden that should not prevent a useful meeting from taking place.</p>
3.	<p>Misconception – “A protest is something to be avoided at all costs - even if it means the government limits conversations with industry.”</p> <p>Fact – Restricting communication won’t prevent a protest, and limiting communication might actually increase the chance of a protest – in addition to depriving the government of potentially useful information.</p>
4.	<p>Misconception – “Conducting discussions/negotiations after receipt of proposals will add too much time to the schedule.”</p> <p>Fact – Whether discussions should be conducted is a key decision for contracting officers to make. Avoiding discussions solely because of schedule concerns may be counter-productive, and may cause delays and other problems during contract performance.</p>
5.	<p>Misconception – “If the government meets with vendors, that may cause them to submit an unsolicited proposal and that will delay the procurement process.”</p> <p>Fact – Submission of an unsolicited proposal should not affect the schedule. Generally, the unsolicited proposal process is separate from the process for a known agency requirement that can be acquired using competitive methods.</p>
6.	<p>Misconception – “When the government awards a task or delivery order using the Federal Supply Schedules, debriefing the offerors isn’t required so it shouldn’t be done.”</p> <p>Fact – Providing feedback is important, both for offerors and the government, so agencies should generally provide feedback whenever possible.</p>
7.	<p>Misconception – “Industry days and similar events attended by multiple vendors are of low value to industry and the government because industry won’t provide useful information in front of competitors, and the government doesn’t release new information.”</p> <p>Fact – Well-organized industry days, as well as pre-solicitation and pre-proposal conferences, are valuable opportunities for the government and for potential vendors including both prime contractors and subcontractors.</p>
8.	<p>Misconception – “The program manager already talked to industry to develop the technical requirements, so the contracting officer doesn’t need to do anything else before issuing the RFP.”</p> <p>Fact – The technical requirements are only part of the acquisition; getting feedback on terms and conditions, pricing structure, performance metrics, evaluation criteria, and contract administration matters will improve the award and implementation process.</p>
9.	<p>Misconception – “Giving industry only a few days to respond to an RFP is OK since the government has been talking to industry about this procurement for over a year.”</p> <p>Fact – Providing only short response times may result in the government receiving fewer proposals and the ones received may not be as well-developed - which can lead to a flawed contract. This approach signals that the government isn’t really interested in competition.</p>
10.	<p>Misconception – “Getting broad participation by many different vendors is too difficult; we’re better off dealing with the established companies we know.”</p> <p>Fact – The government loses when we limit ourselves to the companies we already work with. Instead, we need to look for opportunities to increase competition and ensure that all vendors, including small businesses, get fair consideration.</p>

⁴⁴ More detailed explanations and examples are set forth in OFPP memorandum "[Myth-Busting: Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process](#)" (February 2011).

ATTACHMENT 3 QUICK GUIDE: “MYTH-BUSTING #2: ADDRESSING MISCONCEPTIONS AND FURTHER IMPROVING COMMUNICATION DURING THE ACQUISITION PROCESS”⁴⁵

1.	<p>Misconception – “The best way to present my company’s capabilities is by marketing directly to Contracting Officers and/or signing them up for my mailing list.”</p>
	<p>Fact – Contracting officers and program managers are often inundated with general marketing material that doesn’t reach the right people at the right time. As an alternative, vendors can take advantage of the various outreach sessions that agencies hold for the purpose of connecting contracting officers and program managers with companies whose skills are needed.</p>
2.	<p>Misconception – “It is a good idea to bring only business development and marketing people to meetings with agency’s technical staff.”</p>
	<p>Fact – In meetings with government technical personnel, it’s far more valuable for you to bring subject matter experts to the meeting rather than focusing on the sales pitch.</p>
3.	<p>Misconception – “Attending industry dates and outreach events is not valuable because the agency doesn’t provide new information.”</p>
	<p>Fact – Industry days and outreach events can be a valuable sources of information for potential vendors and are increasingly being used to leverage scarce staff resources.</p>
4.	<p>Misconception – “Agencies generally have already determined their requirements and acquisition approach so our impact during the pre-RFP phase is limited.”</p>
	<p>Fact – Early and specific industry input is valuable. Agencies generally spend a great deal of effort collecting and analyzing information about capabilities within the marketplace. The more specific you can be about what works, what doesn’t, and how it can be improved, the better.</p>
5.	<p>Misconception – “If I meet one-on-one with agency personnel, they may share my proprietary data with my competition.”</p>
	<p>Fact – Agency personnel have a responsibility to protect proprietary information from disclosure outside the Government and will not share it with other companies.</p>
6.	<p>Misconception – “Agencies have an obligation not to share information about their contracts, such as prices, with other agencies, similar to the obligation they have not to disclose proprietary information to the public.”</p>
	<p>Fact – There are no general limitations on the disclosure of information regarding existing contracts between agencies within the Government. In fact, agencies are encouraged to share pricing information to ensure that we are getting the best value for our taxpayers.</p>
7.	<p>Misconception – “To develop my new proposal, I don’t really need to tailor my solution to the specific solicitation since the government won’t read my proposal that closely anyway.”</p>
	<p>Fact – Offerors should tailor each proposal to the evaluation criteria, proposal instructions, and specific requirements of the solicitation to which they are responding. Contracting Officers and evaluation team members read proposals closely for compliance with the proposal instructions and must evaluate them against the evaluation factors and the statement of work in the solicitation.</p>
8.	<p>Misconception – “If I lose the competition, I shouldn’t bother to ask for a debriefing. The Contracting Officer won’t share any helpful information with me.”</p>
	<p>Fact – Unsuccessful offerors, as well as successful offerors, should ask for a debriefing to understand the award decision and to improve future proposals.</p>

⁴⁵ More detailed explanations and examples are set forth in OFPP memorandum “[Myth-Busting 2: Addressing Misconceptions and Further Improving Communication During the Acquisition Process](#)” (May 2012).