



## Pursuit of Painless Procurement

### Secrets From the Other Side

Kathy Perras, Dynamics Research Corporation  
Garland Kemper, Unisys Corporation  
Richard Mordaunt, Commonwealth of Massachusetts

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## In the Perfect World

- Procurement professionals work with many people to describe a difficult problem in a RFP.
- They issue RFP documents that provide a complete, accurate and easy to understand description of the problem to be solved.
- Suppliers take this RFP and accurately interpret the stated and unstated needs of the procuring entity. Using their state-of-the art knowledge and product offerings, they develop proposals which provide timely deliveries and best value.

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## Session Overview

- Objectives
- The Four Phases of Pursuit
  - Developing a Relationship
  - Identifying the Business Problem
  - Proposal Development
  - The Fine Print
- Procurement Timeline – The Vendor's Perspective
- In the Perfect World
- Contact Information



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## Objectives OK TO BID

- Responding to an RFP requires significant resources and always brings a measure of risk to the company.
- Today we want to answer these questions and more:
  - What are the typical areas that, if done differently, would provide better outcomes for everyone?
  - How do vendors determine the cost and risk of bidding?
  - How do vendors make bid/no bid decisions? What factors do they consider?
  - What is the process a vendor follows to develop a proposal? Who is involved? How long does it take? And what is "Gold Team"?

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## Developing a Relationship

- Openness of Dialogue (Prior To and During Procurement)
- Past Relationship
- Client Track Record for Success
  - Procurement Approach
  - Shared Risk
  - Willing to Negotiate
  - Perception of Fair Competition
  - Commitment of State Resources
  - Available and Adequate Budget
  - Professional Project Management



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## Identifying the Business Problem

- Current vendors, other states, and industry analysts like to provide industry information and experiences
- Vendors encourage the Request for Information (RFI) to:
  - Help to define the business problem
  - Offer possible solutions about which purchasers may not be aware
  - Provide context for budget requests
- Draft Request for Proposals (RFP) allow vendors to alert purchasers about concerns, questions or issues related to:
  - Mandatory and optional requirements
  - Contract Terms and Conditions
  - Response schedules and project timeline



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## Proposal Development

- Government often has no idea the expense, activity and investment that must be made to pursue
- All vendors have very similar concerns
- Not a casual task – it is a highly disciplined and rigorous process
- Failed procurements are expensive and can lead to failed projects
- Reassessment is a constant - Commonly referred to as “Bid/No Bid”
  - High risk results in “No Bid”
  - Open Communication lessens “No Bid”

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## Proposal Development

- Opportunity Assessment
  - Functional Overview
  - Technical Overview
- Assessment of Vendor Match
  - Potential for Technology Reuse
  - Estimate of Cost to Respond
  - Project Desirability – ‘Sweet Spot’
- Business Analysis
  - Assessment of the competition
  - Assessment of client environment
  - Funding
  - Alignment of Stakeholders



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## Proposal Development

- Typical Bid Process Steps
  1. Need Detection
  2. Preliminary Responsibility Assignment
  3. Preliminary Bid/No Bid & Responsibility Assignment
  4. Proposal In Process Review/Reviews
  5. Final Bid/No Bid
  6. Final Cost Review
- Costs are high for what might appear to be the simplest and the clearest RFP/opportunity
- Industry standard is 1-2% of expected revenue



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## The Fine Print

- Sound and Proven Technology
- Methodology for Success; Not for the Sake of Structure
- Program Commitment and Involvement
- Clarity of Business Problem and Resultant Requirements
- Approval and Acceptance Approaches
- Reasonableness of Timeline
- Personnel Requirements Commensurate with Approach
- Staffing Timelines Make Sense for Project Approach
- Payment Schedule



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## The Fine Print

- Reasonable and Shared Risks
  - Warranties and Guarantees
  - Limitations of Liabilities
  - Limitations on Damages
  - Indemnification
  - Liquidated Damages
  - Personnel Replacement
  - System Performance
  - Ownership of Material
  - Remedies
  - Suspension of Work
  - Performance Bonds
  - Compensation and Payment



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## Timeline

RFP Release + 2 weeks	Weeks 3 – 8	Weeks 9 – 11	Weeks 12 & 13
Internal Review for RFP (No RFP)	Define solution	Confirm partner and supplier pricing	Final proposal edits
Negotiate Teaming Agreements with partners and subcontractors	Define implementation plan	Second proposal draft developed	Deal Review
Confirm solution fit to requirements	Integrate with partner fine (warranty/risks)	Pricing finalized	Proposal printing, binding and boxing
	Develop conversion plans	Technical evaluation of solution completed	Proposal Delivery
	Prepare initial cost and revenue estimates	Internal proposal review completed	
	Initial proposal draft developed		

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## In the Perfect World

- *Vendors have open and ongoing communication with State throughout the process*
- *Response due date is sufficiently distant to allow a solid proposal*
- *Development and implementation schedules are achievable*
- *Contract Terms and Conditions are understood and appropriate*
- *Payment terms allow for consistent cash-flow*
- *Staffing provisions make sense for the engagement*
- *All parties feel that there are shared risk and rewards and work closely with each other through the entire contract.*

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## Contact Information

<b>Kathy Perras</b> VP & GM State & Local Programs Dynamics Research Corporation 978 289-1781 kperras@drc.com	<b>Garland Kemper</b> HHS Solution Director Unisys Corporation 617 314-9201 garland.kemper@unisys.com
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**Richard Mordaunt, CSCP, CPPB, CPPO**  
Director of IT & Office Procurement, OSD  
Commonwealth of Massachusetts  
617 720-3302  
richard.mordaunt@state.ma.us

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