

The Executive Summary

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Winning and Managing Federal Projects

By Jim Kendrick

RESPONSIBILITY FOR RESULTS

Increased Contractor Responsibility for Results is at the core of Federal procurement reform. Today, the government wants to buy results...not just hours of effort. This new focus can pay off for both government customers and smart contractors, but the risks are considerable.

PERFORMANCE SPECIFICATIONS

A **performance specification**, according to the Navy's acquisition reform site, is a

statement of required *results* with criteria for verifying compliance—without stating methods for achieving the required results. It defines the functional requirements for the item, the environment in which it must operate, and its interface requirements. “The opposite of a performance specification is a detailed specification” that gives design solutions such as how a requirement is to be achieved or how work is to be performed. For example:

- “Provide 500 megabytes of computer mass storage for 24 months with 100 percent uptime and 100 percent data reliability” is a **performance specification**.
- “Provide 500 megabytes of mass storage on a Compaq/Digital server with RAID 5, Microsoft Windows NT, 24/7 staffing, and a UPS power supply with 5 hours of backup capacity” is a **detailed specification**.

With performance specifications, a contractor has more flexibility...and responsibility. Particularly on fixed-price contracts, the flexibility may provide options that increase profitability and still lower the competitive bid price. Of course, the successful contractor's solution must work, because failure to meet performance specifications is often coupled with financial penalties.

You may be able to win a bid competition by: (1) achieving the results in a shorter period of time, (2) offering a lower

price, (3) persuading the customer that your technical solution will increase the certainty of achieving the specification (thereby reducing risk), and/or (4) using your past performance data on other contracts to document that you can achieve compliance with specifications.

Under acquisition reform, the whole idea is for the government to buy carefully-defined results on the most advantageous terms.

Performance measurement is the objective methodology used to determine the degree to which a contractor achieves the performance specifications. In many cases, the government defines these in **Quality Assurance Surveillance Plans (QASPs)**, which are being attached to many Requests for Proposals. The QASP defines the measures to be used as well as the frequency. Under the QASP, the government is responsible for inspecting the results on a predefined frequency... which may range from random sampling ...to daily, weekly or monthly inspections...to 100 percent inspection. In many

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cases, the contractor is responsible for maintaining the recordkeeping and tracking systems that the government uses to execute its QASP.

PROJECT MANAGEMENT

Project managers should pay strict attention to performance measures, because these are becoming the basis for successful contract performance. Focusing on how to meet all performance standards at a managed cost can increase profitability, provided that you continue to maintain positive customer relations. What's more, a project manager who meets or exceeds performance standards will also generate past performance history that can help win future contracts.

PWS, SOO, AND OTHER PROCUREMENT DOCUMENTS

There are plenty of traditional Statements of Work being issued by government agencies, but the trend is toward Performance Work Statements (PWS) and State-

ments Of Objectives (SOO). A friend... Jerry Klever (GKlever@PEC.com) has been on a team that has converted over 200 HUD procurement documents into Performance Work Statements. This year, I have been using PWS and SOO formats for almost all of the procurement documents at the Executive Office of the President. All of these newer formats are oriented toward performance criteria. Even traditional Statements of Work are weaving in performance standards...frequently linked to QASPs. Most have positive and negative incentives...that is, rewards and/ or punishments depending on how well the contractor performs. Some RFPs also require bidders to propose metrics for contract performance. This is a *contractor proposed/government approved* approach to defining and monitoring performance. A proposal with a credible approach to defining, recording, and reporting quantitative performance indicators may have an edge on winning the contract.

BOTTOM LINE

The government wants to buy results. Bidders must be prepared to propose and manage contracts that achieve the defined performance standards. A good project manager will achieve the performance standards, make a profit, and leave a "past performance" track record that can be used to win future contracts. Of course, all of this is easier said than done. ↗

Interested in your association?

Have you considered **attending an NCA Board Meeting?**

Your input and ideas are important to your **committee!**

For further information, **please contact NCA** President Carl Dickson at **703-898-4932** or e-mail carl.dickson@proplibrary.com

Calendar of Events

The purpose of the calendar is to apprise NCA members of upcoming events of interest to proposal professionals.

SEPT	11	NCA Board Meeting	• Topic: General Business
	20	NCA Roundtable	• Topic: The Other Side of the Fence; Speaker: Jim Kendrick
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OCT	2	NCA Board Meeting	• Topic: General Business
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NOV	6	NCA Board Meeting	• Topic: General Business
	15	NCA Roundtable	• Topic: TBD