

VENDORS – RESPONDING TO A SOURCES SOUGHT

Purpose and value:

It is important to understand the purpose and value of a Sources Sought. For the agency, they are trying to identify sources. They are trying to determine if there is potential for a small business set-aside or other type of set-aside. For the vendor, it is a chance to help influence the potential of a SBSA. If capable companies do not respond, then a set-aside may be lost and the actual opportunity to bid will be competing against large business firms. The agency depends on the results of the market research. Occasionally firms call and say that they know that there are several SB firms that can do the work and they want to know why the buy is not set-aside. The problem is that none of the “capable” firms responded to the sources sought. They didn’t bother and figured they’d just bid when the buy came out. This is also a first chance to be recognized as a potential source and to develop a positive image. This may be the agency’s first impression of you and your company. Your professionalism in work counts.

To respond or not:

It is important that you not respond just for the sake of responding. Some vendors are not capable but submit a single page standard line card in response to sources sought, perhaps in the hope of getting recognized for other work. All that does is develop a negative image of a company that isn’t putting forth effort and is wasting an agency’s time. If you are interested, respond specifically to the requirement at hand. Responding also takes time and effort and is an expense that can quickly mount up if you respond to everything. It is important to know where you fit in the market and the likelihood you will respond to a solicitation. If you are capable but not likely to respond, don’t create a false sense of potential sources. The sources sought, is looking for capable sources that will likely respond to the solicitation when published.

Good or bad it’s all you’ve got:

Most Contracting Officers are not given special training on sources sought. There is no direct guidance on establishing a sources sought. Many depend on their user to write the sources sought. In the end many sources sought announcements provide a statement of work and a request to provide capability - nothing more. Some have page limitations for response. Some do not.

So how do you respond?:

Understand that many of the elements described below may not be specifically requested in the sources sought announcement. But know this, that even if not requested, many agencies use this information or the lack of this information in determining capability. Many assumptions are made on the part of the reviewer. Putting this information into a response may make the difference between a determination of capability or lack of capability. The image they form of your company will in some fashion carry over to their view of your response to the actual solicitation later. Make this a best effort. Your job is not to just answer questions but to convince them of your capability. Show them SB can do the job right.

1. **Address each task or element specifically** and with detail – task by task. Don’t just say “I can do complex accounting” or “I’ve done this under a contract with X agency.”, give examples related to each task, be detailed in what types and how you have demonstrated that knowledge or skill. If the agency has not defined the key functions they want you to address, address all major functions in the SOW. Elements not addressed can be deemed as not having capability.
2. **Explain your capability level** – is it general knowledge, detailed knowledge, experience as prime or sub?
3. **Subcontractor functions** - If you were a subcontractor, what functions did you have? Were they core functions? What percentage of the contract did you handle?

4. **Locally relate** - Have you done the work in the past with this agency or branch of Service? What military regulations are you familiar with that they use? If none, how quickly can you learn those regulations or do you have access to someone on your team that knows them? Have you handled this sort of situation before?
5. **Scope of the Contract** – Be sure to show understanding of the scope of the contract by responding with examples that match the scope of the contract. If there are inherent issues in the type of work, explain how you have handled those issues in the past or how you are set up to handle unexpected issues that may arise.
6. **Past performance** - Have you done this work with other agencies? Commercially? Or do your key personnel have the knowledge and experience? How does the work for them relate to this work for this agency?
7. **Identify contract experience** by identifying the contract number, agency, the scope/value of the contract, the length of the contract, the functions you did under the contract, the role your company played. These details give the experience credibility.
8. **Identify any regulations, certifications, or equipment** you have or have used, that are necessary to the function of this requirement.
9. **Identify your intentions to team or subcontract** any work and what percentage of work you are capable of in your own right and what percentage you are subcontracting.
10. **Key personnel** – Identify the key personnel and their experience. What background do they bring to the effort and what certificates do they hold?
11. **Security Clearances** – Do you have a facility clearance? What clearances do your key personnel hold? Can you obtain cleared personnel?
12. **Address the need for new personnel.** Will your company have to hire to support this contract? If yes, where will you go to get personnel? How quickly can you obtain personnel? What kind of a retention plan do you have to keep personnel? If this will be a big growth step for your company how will you handle the sudden growth and its impact to managing your company? Do you have a growth plan?
13. **Management Skill** - If you have been mainly a subcontractor, do you have the skill to manage the contract as a prime? This is a big issue in the minds of contracting officers. You may have the skill to do the requirement but do you also have the management skill?
14. **Financial Capability** - Do you have the money to fund this contract? If not, then from whom will you get your credit line? Do you already have a credit line? Can you get one big enough to support this contract. Provide your creditors name and the amount you can cover.
15. **Transition Plan** - Do you have a plan to transition this contract from the previous vendor to you? Indicate if you have a plan and how long you believe the transition will take. What kind of Ramp Up time will you need to be in full swing? You do not have to provide the details of the plan at this time. Give examples of previous transition times on other contracts.

A good, sources sought response answers the questions the agency asks, answers those they forgot to ask but will probably use in their mind, and demonstrates the professional quality and capability of your firm. It supports the notion that small business firms can provide quality work, and enables an agency to get to know your company – something that can trigger a call on other requirements and needs. If done right, it will put good thoughts and assumptions in their mind for future reference.

If you are limited on pages to respond address all the requested information first. Make sure you get that in. If worst comes to worst, provide “additional information” as attachments. Most contracting officers will consider the attached info if the main body provided indicates potential capability. Though not a guarantee, that info is then available for the SB Specialist or PCR to use in argument of capability.

SOURCES SOUGHT - ELEMENTS YOU NEED TO ADDRESS- REQUESTED OR NOT

What does the Government seek? SKILLS, EXPERIENCE, QUALIFICATION, AND KNOWLEDGE.

How do you respond? See the elements below.

REQUIREMENT

Technical	Specifically address all task areas, key/critical elements referenced in RFI Indicate level of ability as well as knowledge level. Tie to contract experience. Have you done this in smaller environments or something of similar size and scope?
Scope	Demonstrate an understanding of the scope of the contract not just general knowledge of the terms referenced. If scope is beyond what you have done, explain how you will handle it. What will it require to perform this contract? Scope includes Value, volume and breadth of technical requirements.
Complexity	Is this complex or standard industry function. Can anyone do this or does it take high level or specialized skills? How would you manage a complex contract with multiple or inter-related tasks?
Risk	What are the risks associated with the complexity? How will you minimize/ mitigate that risk?
Locations	Are you set up for the location? Do you have facilities in needed locals? Can you do multiple locations or OCONUS? Identify capability/ describe range of locations previously serviced.

EXPERIENCE

Personnel	Identify knowledge and skill of key personnel. What level training/experience are they? Do they have industry certificates? Do they have direct experience in Govt or with the Agency you are responding to?
Company	As a company have you done this work with the Government? Were you prime or subcontractor? What was the breadth of the work- simple, complex? How many of the task areas do you have direct experience in? Do you have access to other teaming partners with experience? As a prime have you managed large projects/numbers of people? What were the resulting impacts/ accomplishments of some of your contracts?
Past Performance	When identifying past performance cite contract numbers, values, agency, period of performance and scope of contract. Provide POCs if requested or room exists. Select contracts that contain key elements agency seeking and show greatest strength. If limited, include a statement identifying the largest number of contracts held at one time and highest contract value received. If the contracts do not show all functional areas, include a statement that additional contracts are available to show capability in all functional areas. Examples must be comparable in type, size, scope/complexity and value. must be relevant.
Contract Type	What experience have you had with this contract type - i.e. CPFF, T&M, etc.

MANAGEMENT

capacity	Do you have the capacity to handle this contract? In addition to other contracts? What if the contract grows or more work results?
personnel	Do you have the personnel on hand to do this contract or will you have to hire? How many? What is your turnover rate? Do you have practices and policies to support retention of employees/ quickly replace exiting employees? How limited is your employee resource pool?
growth plan	Do you have a growth plan to enable you to increase by 25%, 50% or more? Are your accounting and payroll systems sufficient to handle quick and large increases? How will you find and hire new people for the contract? Do you have any agreements or sources in place?
Transition Plan	How will you handle transition on follow-on contracts. Do you have a transition plan? Reflect importance of having a plan and explain your transition plan.
Ramp Up time	How long will it take you to ramp up and start the contract?
Implement a Project Management Plan	Do you have project management plan in place? What is your PM methodology? How will you implement compliance with tight program schedules; cost containment; meeting and tracking performance; hiring and retention of key personnel and risk mitigation

FINANCE

DCMA Approved Accounting System (CAS applies non-commercial, req'd above TINA (\$7.5M), OTSB, other than FFP/FFPEPA)	Do you have an approved accounting system?
DCMA Approved Purchasing System (Req'd when total govt sales > \$25M)	Do you have an approved purchasing system? If not, what volume of purchases can you handle? What is the highest total value of purchases you've made in a year?
DCMA Approved Material Management System	Used with large contracts involving a lot of Govt Furnished Materials/Tools/facilities
DCMA Approved Property Management System	Used with large contracts involving a lot of Govt Furnished Materials/Tools/facilities
Time and Materials / Cost plus Contracts	Do you have experience with contracts that are Cost Plus Fee or T&M? To what extent?
Cost containment	Are your processes geared to cost containment? Do you usually finish at contract price or do you come in below cost?
Credit line	What is the value of your credit line? Can you obtain credit sufficient to meet this contract? Do you have credit already lined up? With whom? If credit is not needed, say so.
Bonding Capability (if applicable)	Have you been bonded? If bonding is required, what can you obtain- single and aggregate?

CERTIFICATIONS - CLEARANCES

Technical	Do you employees have industry certifications? Training in specific technical areas? Are they familiar with the agency specifications/regulations/mission/operating procedures?
Quality	Are you ISO certified? What quality standards/awards do you have?
Security	What security clearances do your personnel have? Do you have a facility clearance? If you do not have, can you get one? Have your key personnel ever been blocked from access to a Federal building or military base?
IT/Cyber Cloud	As of Dec 31 2017, NIST SP800-171 is a mandatory requirement for IT/Cloud/Cyber. State if you meet this certification. It is vital to mention in sources sought/bids.

SUBCONTRACTING

Limitation on Subcontracting	What percentage of this work will your company do? What elements will be subcontracted out? Are critical elements to be done by you?
Teaming -Members	If you know, who will be your team members? What are their general qualifications (brief).
Joint Venture-Mentor Protégé	Clearly identify if you are a joint venture or have a formal mentor protégé arrangement. Provide info on the other partner, their intended involvement and their capabilities/ qualifications.

FLUIDITY

changing priorities	Are you able to adapt to changing requirements and shifting priorities?
emergency response time	How do you adapt to urgent needs and emergency requirements? What is your effective response time?
crisis solution	Do you have a strategy for problem solving? How do you identify and resolve problems proactively? How do you handle unplanned events?

RESEARCH / STATE OF THE ART (if applicable)

Innovation	Is similar research being conducted in the market? Is this new innovation? What is your experience in developing and innovating new products?
Feasibility	What are potential difficulties and is this project/portions feasible?
Considerations	What skills or tools are necessary to develop this type of system/product?
Commerciality	Is anything commercially available? Does this have potential commercial application?
Projected timeframe	How long will it take to conduct research and design requirement? What basic stages are necessary for development? How long will each stage take?