



Framework for Government - Industry Engagement Through the Planning and Execution of the Acquisition Process

WHY IS COMMUNICATION AND AN ONGOING DIALOGUE NEEDED?

Early, frequent, and constructive communication between the government and industry is the foundation to the planning and execution of a successful acquisition. Acquisitions begin at the point when agency needs are established. The acquisition process includes the description of requirements, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contractⁱ. Early engagement with industry is a critical aspect of strategic planning, describing agency needs, developing an overall acquisition strategy, and identifying the terms, conditions, and practices appropriate for what is being acquired. It improves market research, which results in a greater understanding of the possible products, services, and technologies that exist to support the government's needs, as well as the costs, benefits, and limitations of different procurement approaches. It allows the government to define their requirements clearly within the market environment, and develop realistic expectations regarding risk, cost, schedule, and performance management. When requirements are well defined, industry can write quality proposals and deliver solutions that address gaps in a timely and cost effective manner.

For industry, the substance, frequency, and timing of communication with government is vital to determining how to allocate limited resources and make informed, risk-based investment decisions. Because the costs associated with getting to know a prospective government client, understanding their requirements, developing a technical solution, selecting a team, and preparing a proposal are so high, industry makes decisions on which opportunities to pursue long before a solicitation is released. Bid decisions are often made based upon the nature, detail, and specificity of information that is available in advance of the opportunity. The more time and information that is provided, the more that industry is likely to invest in and think through different ways to meet the government's needs.

When communication is absent, vague, infrequent, or untimely, it increases the risk that industry will choose not to participate in a solicitation or that it will not understand the government's requirements. Communication problems that occur early in the process (e.g. not having well defined requirements) increase the likelihood of contract delays, cost over-runs, duplication of effort, and outcomes that fail to meet the government's expectations and mission needs.

It is important for both parties to appreciate the importance of an ongoing two-way dialogue and understand the other's perspective of the acquisition process, including objectives, incentives, decision criteria, and internal procedures. Both parties should understand why certain information is needed, how it impacts decision-making, the mutual benefits of communication, and the risks associated with failure of communication.

WHEN SHOULD THE ENGAGEMENT START?

It is critical that government and industry work together to establish and maintain open and transparent two-way forums for communication in advance of and throughout the acquisition process. The government should engage with industry as early as the strategic planning, programming, and budgeting phases of the Integrated Investment Lifecycle Model and continue with appropriate communications throughout the acquisition and procurement process.

WHAT TYPES OF ENGAGEMENT SHOULD OCCUR?

The Federal Acquisition Regulation (FAR) not only authorizes and encourages government interaction with industry throughout the acquisition process, it actually requires it. Too often, the options for engaging the private sector are unknown or misunderstood by one or both parties. Increasing awareness and understanding of the options is an important step in improving the quality and quantity of government – industry communications. Government’s dialogue with industry should occur through multiple forums. In some cases, the government will need to talk to representatives from individual companies to learn about specific products, services, or emerging technologies that the company may be unwilling to discuss in open forums for competitive reasons. In other circumstances, the government needs to hear the perspectives and concerns of “industry” as a whole, through forums that bring together multiple perspectives and allow for information sharing and the discussion of common concerns, trends, and best practices.

Industry associations, like the Homeland Security & Defense Business Council (Council), can play an important role in facilitating critical aspects of an inclusive dialogue that bring together representatives and viewpoints from a combination of large, mid-size, and small businesses.

WHAT IS THE FRAMEWORK?

The Framework breaks up the planning and execution of the acquisition process into four stages and provides an overall big picture timeline and description of communication and engagement needs through each stage (i.e. Strategic/Business Planning, Pre-Procurement, Procurement, and Contract/Program Execution). The Framework is divided into two sections:

- I. Provides an overview of how government – industry engagement needs shift through the four stages. (Pages 3); and**
- II. Identifies the nature of the dialogue, the participants, the purpose and benefits of the information exchange, the type of information that should be exchanged, and the different types of engagement that could occur during the four stages (with appropriate references to the FAR and Procurement Integrity Act when applicable) (Pages 4-8)**

WHAT DO WE HOPE TO ACHIEVE?

Throughout the Department of Homeland Security (DHS), we continue to see excellent examples of earlier and more substantive outreach with industry. We hope this Framework can help build consistency with those efforts. It provides a greater understanding of the benefits of engaging with industry and will allow DHS Directorates and Components to identify where along the timeline that more government – industry dialogue is needed to help improve mission outcomes. The Council hopes to use this document to: 1) help facilitate a dialogue that further defines the specific timing and process for communications during different stages of the acquisition process, 2) work with our government counterparts to identify and develop the appropriate forums needed for engagement, and 3) discuss ways to address gaps or problems with the current process that would have the greatest ability to improve the outcomes of acquisitions.

I. How Government–Industry Communication Needs Shift Through Four (4) Stages of the Planning and Execution of the Acquisition Process

Stage 1: Business and Strategic Planning

Both government and industry conduct business and strategic planning that helps them budget, forecast, and make decisions on how and where to invest and prioritize financial and personnel resources, as well as research and development (R&D) efforts. Strategic planning provides DHS with a broader, enterprise-wide perspective of the mission and ensures that future investments address the greatest needs. In this stage, which can begin a few years before a specific procurement, the dialogue with industry is about sharing and discussing strategic plans, IR&D plans, investment plans, technology roadmaps, priorities, challenges, and the vision for moving the enterprise forward.

Stage 2: Pre-Procurement Planning

When DHS begins a specific acquisition—aimed at meeting particular mission or business needs in keeping with the overall strategy, it initiates four (4) phases of acquisition decision events to determine whether it is sensible to proceed with a proposed acquisition and to determine the structure of that acquisition. Pre-Procurement is the period from Acquisition Decision Event (ADE) 1 through ADE 2A/B (Analyze/Select) of the Acquisition Lifecycle Framework of DHS MD 102-01. During this phase, the program manager leads the effort and the focus of the dialogue is on defining specific mission needs, developing requirements and key performance parameters, learning alternatives to capability needs, and understanding WHAT industry can provide to meet those needs through existing or emerging capabilities. It also includes the development of the strategy and desired path for acquiring the capability.

Stage 3: Procurement

Once a specific requirement and funding are identified, an acquisition enters the Procurement stage. The lead for interactions then transfers from the program manager to the contracting officer or other acquisition personnel. The focus of the dialogue shifts to HOW to make the business deal to acquire the desired capabilities, with government asking industry to propose specific solutions to defined requirements. The pre-solicitation information exchange helps shape the procurement strategy, contract type, evaluation criteria, and cost and allows industry to make quality proposals. After the solicitation is released, communication with industry is limited. It is used to keep industry informed of the status and timeline of procurement decisions, as well as to debrief the winner and losers on the reasons why a bid was selected or rejected.

Stage 4: Contract Execution

When the procurement is complete and the contract is awarded, the acquisition enters the Contract Execution phase. The government is no longer communicating with industry as a whole, but it does continue with the company or companies selected to perform the contract. The focus of communication is on ensuring the contractor or vendor can perform and deliver measurable outcomes on time and within budget.

II. The Planning and Execution of the Acquisition Process Through Four Stages

STAGE 1: STRATEGIC AND BUSINESS PLANNING

Both government and industry build strategies to apply resources against mission objectives (or business opportunities). These strategies form the basis for subsequent procurement decisions on the part of government, as well as the investment, development, and capture decisions of industry. Industry relies on information from government to make investment decisions and to drive innovation and R&D towards the government's future needs. The dialogue in this stage involves the government sharing and discussing its strategic plans, multi-year investment plans, annual forecast of contract opportunities, technology roadmaps, priorities, challenges, and vision for moving the enterprise forward. This stage may begin a few years before an individual procurement and can continue through the lifecycle of the acquisition.

Participants in the Dialogue

- Office of the Secretary, Management Directorate, Policy Directorate, DHS Components and Directorates, Science & Technology Directorate (S&T), Program Managers
- Industry subject matter experts, business leaders, technologists, engineers

Purpose and Benefit of Engagement

- Early engagement improves industry's ability to forecast and make capture decisions.
- Industry's investment and R&D planning spans multiple years. When information is made available to industry early in the process, it increases the likelihood that industry will devote time, people, and money towards addressing the government's needs. This increases the competitive pool of potential vendors that the government will have to choose from in future procurements as well as broadens the range and quality of potentially available solutions.
- Industry can provide better support, services, and products when it knows what the government is thinking and planning.
- Increases industry's ability to think through and develop possible solutions in advance.
- Informs government as to how current and emerging industry capabilities can be applied across multiple mission areas.
- Aids in the government's development of the strategic vision, conceptual design and content, or implementation plan for future programs (understanding the "art of the possible")
- Allows government and industry to identify and discuss issues (technical, legal, cultural, etc.) that may improve or impede industry's ability to deliver solutions in the future and the government's ability to design or implement its vision for future programs.

Types of Engagement

- Involvement of industry representatives (one-on-one or group meetings) in the strategic planning and prioritization process of agency gaps/needs).
- Meetings with industry to share draft strategic documents and receive industry comment (e.g. QHSR, Component strategic plans, multi-year plans, preliminary mission needs statements, etc.)
- Industry days or similar type of forum to present and explain final strategic plans, resource allocation, and general mission requirements and priorities.
- Technical interchange or exchange meetings that allow government and industry to exchange technical information and/or IR&D information.

- Meetings or outreach with industry or professional associations to share and discuss program plans or vision for the future.
- Host or participate in conferences/symposiums on specific mission topics to engage with appropriate SMEs.
- Interactive webinars to share and discuss plans and thinking.
- Websites, email announcements, and social media use to share information with a broad audience.
- Tours and visits that allow industry to “see” and gain a better understanding of mission challenges in the operational environment.

STAGE II: PRE-PROCUREMENT

At this stage of the process, the government is defining its mission and business needs and seeking to understand how industry can help meet those needs. Government-industry dialogue is mostly about WHAT could and should be procured, rather than HOW to make and manage the business deal. Government provides industry with mission understanding and assessments of performance gaps. Industry provides ideas on how existing and emerging capabilities can address those gaps. In some cases, the dialogue may yield approaches to transforming the mission itself – achieving a step-change increase in mission effectiveness or business process efficiency through application of new capabilities and techniques.

Participants in the Dialogue

- Mission owners and operators, program managers, technical specialists, market research teams, Component Acquisition Executives (CAEs), end users
- Corporate strategists and “futures” analysts, R&D leads, mission and technology SMEs

Purpose and Benefit of Engagement

- Inform the market research process relating to the identification of current and emerging industry capabilities.ⁱⁱ Enables program managers and technical specialists to:
 - Gain a greater understanding of the current state of industry capabilities,
 - Learn the appropriate industry terminology and concepts associated with the desired service or equipment,
 - Identify the availability of the capability including whether products can be modified to meet the government’s needs, and
 - Understand the possibilities and alternatives based on cost, risk, and desired outcomes.
- Assist program managers with defining mission needs statements, developing operational requirements and alternatives, performance specifications, sustainment options, and the strategy and desired path for acquiring the capability.
 - Allows program managers to develop realistic timelines and resources to account for AD-102 requirements.
 - Allows program managers to negotiate an SELC tailoring plan that meets program objectives and considers program constraints.
- Further refines industry’s understanding of the government’s particular mission and business needs that will enable the development of effective solutions.
- Informs industry’s process of deciding whether to pursue and bid on the business opportunity.

Types of Engagementⁱⁱⁱ

- Interactive websites, interactive webinars, electronic or social media, and other crowd sourcing models to publish specific gaps and needs to companies that may have capabilities or ideas about how to address them.
- Contract or program specific interactive websites and blogs to conduct market research, share procurement timelines and status updates, and the results of marketing research on capabilities^{iv}
- Call for white papers or submissions on capabilities that may be of interest to the government.
- Requests for Information (RFIs) to conduct market research on current and emerging capabilities.
- One-on-one and group meetings with industry representatives to explore the gaps and how they might be filled, discuss the “art of the possible,” characterize the range of industry solutions available, and inform the development of the operational requirements document / key performance parameters.
- Trade Fairs; technology demonstrations and site visits^v; mission-specific conferences, shows, and symposia to learn the “art of the possible.”
- Industry days with small group sessions or other industry meetings to share and discuss needs statements and final operational requirements documents.
- Issue draft-requirement and conduct due diligence one-on-one sessions with industry (sessions can be conducted in person, by phone, or by web-ex).

STAGE III: PROCUREMENT

At this point, general requirements have been defined, and the focus of the dialogue shifts to HOW to make the business deal to acquire desired capabilities, with the government asking industry to propose specific solutions to requirements. Pre-solicitation market research continues and the government-industry dialogue helps determine the procurement strategy, contract type, evaluation criteria, and cost – all within the context of defining technical approaches that will meet government requirements and offer desired levels of innovation or specialized services.

The information exchange also ensures that industry has the information needed to pre-position for a possible bid, to make rational bid/no-bid decisions, and to prepare realistic and quality proposals. This includes sharing the results of market research; the nature, size, and scope of the requirements; anticipated timelines and procedures; and key procurement strategy decisions, such as small business considerations, contract vehicles, and selection criteria priorities (e.g. lowest price technology available (LPTA) or best value).

Participants in the Dialogue

- Led by contracting officials with support from program managers;
- Industry business development and capture managers; company contract officials

Purpose and Benefit of Engagement

- Allows acquisition officials to conduct market research to shape the acquisition strategy, to determine the type and content of the product description or statement of work, to develop the support strategy, the terms and conditions to be included in the contract, and the evaluation factors that will be used for source selection.
- Allows acquisition officials to assess how procurement strategy and contract type will impact cost, risk, and potential company performance in providing the capabilities desired.
- Prepares industry to propose on upcoming solicitations; improves their understanding of the government’s requirements thereby allowing potential offerors to decide whether or how they can satisfy those requirements.

- Ensures the government has the ability to obtain quality products, services, and technologies at reasonable prices and risk, and increases efficiencies in Request for Proposal (RFP) preparation, proposal evaluation, negotiation, and contract award.
- Identifies possibilities and resolve concerns regarding the acquisition strategy, including proposed contract type, anticipated small-business participation, terms and conditions, and acquisition planning schedules; the feasibility of the requirements, including performance requirements, statements of work, and data requirements; the suitability of the proposal instructions and evaluation criteria, including the approach for assessing past performance information; the availability of reference documents; and any other industry concerns or questions.
- When using an advisory multistep process, allows industry mitigate risk by being informed that they are unlikely to be selected for an award/

Types of Engagement

- RFIs^{vi} to obtain price, delivery, other market information, or capabilities for planning purposes
- Pre-solicitation notices^{vii}
- Pre-solicitation or pre-proposal conferences^{viii}
- Multi-step advisory down select processes^{ix}
- Industry Days/Conferences^x
- Issuance of draft-RFPs^{xi} and a mechanism to receive comments from industry on the draft-RFP
- Contract or program specific interactive websites and blogs to conduct and share the results of market research; share procurement timelines and status updates; and request, receive, and share industry feedback on draft-RFPs. ^{xii}
- Participation by knowledgeable procurement and program leaders in industry and association conferences to discuss general and specific procurement strategies
- Topical (as opposed to procurement-specific) sessions with industry to share government and industry perspectives on contract types, risk assessments, cost structures, etc.
- Public hearings
- One-on-one meetings^{xiii} and group meetings with industry to discuss specific procurements
- Meetings with offerors in the competitive range^{xiv}
- Publishing formal RFIs in appropriate technical or scientific journals or business publications
- Webinars or conference calls to share and discuss information (e.g. results of market research or the draft-RFP)
- Debriefs^{xv}

STAGE IV: CONTRACT EXECUTION

During execution, communication is primarily between the government program and contract managers and the company leading delivery. The dialogue is focused on ensuring that the contract performance is executed on time, within budget, and delivers measurable outcomes.

Participants in the Dialogue

- Contract Managers, Program Managers, procurement offices
- Company task leads, contracts office

Purpose and Benefit of Engagement

- Provides opportunity for both parties to discuss expectations and process for communication during the life of the contract.

- Provides opportunity for both parties to identify issues that will need to be addressed early in performance.
- Ensures contract execution is occurring within budget and time constraints; identify potential execution problems early and allows for the development of risk mitigation plans.
- Provides contractor with performance feedback and ensure a past performance record for a contractor that may inform future procurement decisions.
- When applicable, inform the contractor of follow-on requirements (new requirements or sustainment of what has been in place / deployed under a current contract).

Types of Engagement

- Kick off meeting to discuss the contract, timelines, communication expectations, and any revisions to the scope.
- Program management reviews and assessments^{xvi}
- Scheduled and impromptu discussions to openly discuss contract execution issues and concerns
- Contractor Performance Assessment Reporting System (CPARS)^{xvii}

i	FAR 2.101
ii	DHS MD 102-01 and Acquisition Instruction / Guidebook #102-01-001; FAR Part 10 & 7.102
iii	DHS MD 102-01 and Acquisition Instruction / Guidebook #102-01-001
iv	https://interact.gsa.gov/
v	FAR 15.201
vi	FAR 15.201
vii	FAR 15.201
viii	FAR 15.201
ix	FAR15.202
x	FAR 15.201
xi	FAR 15.201
xii	https://interact.gsa.gov/
xiii	FAR 3.305
xiv	FAR 15.305
xv	FAR 15.505/506
xvi	FAR 42.302
xvii	FAR 42.15