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Service Provider Selection in a Federal Multi-Source Environment

Reducing Risk and Expediting the Evaluation

Agencies can benefit from a low-risk approach to conducting evaluations from their pre-qualified pool of service providers

Introduction

Multi-sourcing can affect the amount of time agencies require to review and select service providers and can increase the risks associated with those selections. When an agency chooses to implement a scenario where they will be using a pool of service providers, they must go through a rigorous pre-qualification process just to choose those providers. Once providers are selected, the agency must then execute multiple selection processes to choose the best provider for each service required.

Having multiple selection processes increases the risk of protest that is inherent in Federal government contracting. Each selection for each service is potentially subject to protest which could further delay the process or, in a worst case, stop the process altogether and require significant re-work or contingency planning. Several recent protests of contract awards illustrate the heightened risks associated with conducting multiple selection processes.

Agencies can benefit from a low-risk approach to conducting a thorough evaluation each time they require a service from their pre-qualified pool of service providers. To optimize the agency's time invested in the selection process, such an approach should emphasize establishing technical solution evaluation criteria that focus on technical solution rather than past performance by the provider.

Approaches for Multi-Award Contract Scenarios

Multi-award contracts are effective tools for establishing the pre-qualified pool of service providers determined to be capable of providing the services the agency requires. These contracts set the high-level scope during the initial selection so that each provider that is chosen has the skills and capabilities in the subject matter areas that relate to an agency's requirements. On the assumption that the selection process was effective when the contract was awarded to multiple service providers, certain approaches can be implemented that will significantly expedite the selection of service providers for each task order.

Figure 1 aligns those approaches with the phase in which they would be performed as a response to potential factors that could delay the selection process.

FIGURE 1

Following phase-specific activities that expedite task order evaluation will mitigate the risks associated with potential factors that delay provider selection.

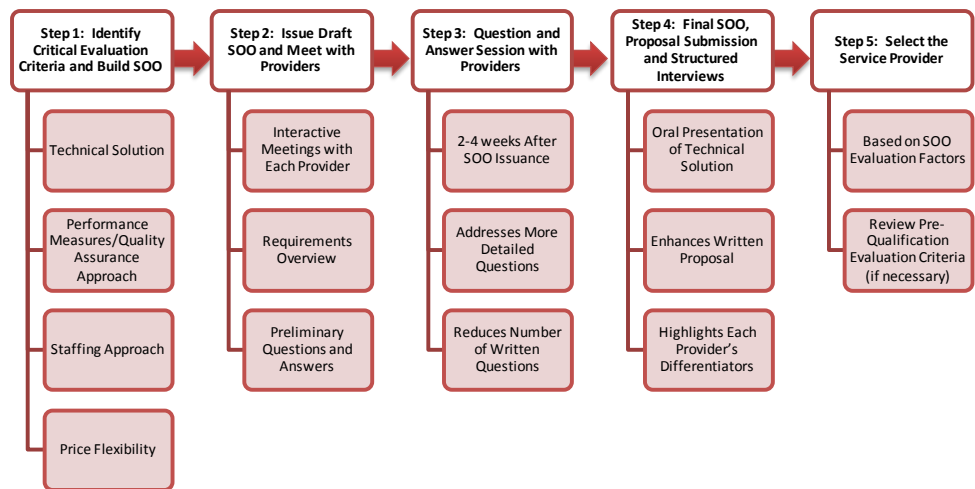
| Task Order Service Provider Selection | | |
|---------------------------------------|---|---|
| Phase | Potential Factors that Delay Provider Selection | Practices that Expedite Evaluation |
| Pre-RFP | Focusing too much on a detailed statement of work | Developing a statement of objectives with expected outcomes |
| Pre-RFP | Deciding on final evaluation criteria | Choosing a minimal set of high-priority criteria – Technical Solution, Price, Performance Measurement, Staffing |
| Bid and Proposal | High volume of provider questions due to lack of information about the requirement | Conducting multiple interactive sessions with all of the providers (i.e. through an industry day) to transfer knowledge |
| Bid and Proposal | Allowing sufficient time for each provider to contact past clients, request multiple past performance questionnaires, and submit them | Leverage pre-qualification process and the past performance evaluation already performed |
| Post-RFP | Reviewing past performance questionnaires and contacting previous clients for each provider | Conduct past performance evaluations only during the pre-qualification process |
| Post-RFP | Protests mounted by the providers based on subjective evaluation factors such as past performance | Establish less subjective evaluation criteria such as price, staffing approach, technical solution and performance measurement approach |

Building Efficiency into the Evaluation Process

The tactics listed in the previous section affect each phase of the selection process. Implementing these tactics requires a step-by-step approach to building efficiency into the process from its earliest stage. Figure 3 identifies a 5-step process to reducing risk and expediting the evaluation process on a multi-award contract with a number of pre-qualified service providers.

FIGURE 2

This 5-step process expedites evaluation and minimizes risk for an agency.



As shown above, Step 1 focuses the evaluation immediately during the development of the statement of objectives. Technical solution is the most important criterion for evaluating pre-qualified service providers. Other critical factors include the provider's approach to measuring its performance (including its service-level agreements and other metrics) and its committed staff for the

Traditional evaluation factors such as past performance, corporate experience and management approach were part of the pre-qualification and don't need to be re-evaluated.

project. Regarding price, one approach that could result in lower long-term costs is to allow pricing flexibility. That is, agencies could consider other service pricing models prior to SOO issuance such as fixed prices for services. Considering the best pricing approach encourages the provider to determine the best way it can meet an agency's requirements from both a technical and a price perspective.

Step 2 involves reducing the amount of time required to provide each service provider with an agency's requirement. Using interactive meetings where each provider has the opportunity to meet with the agency and hear its requirements in person enhances the provider's future technical solution. During these meetings, the agency explains the requirement that is stated in the statement of objectives and the provider asks questions based on what was said. Steps 2 and 3 together seek to improve the agency's ability to quickly achieve a clear mutual understanding with each potential service provider about the agency's requirement. During Step 3, the provider meets again with the agency; this time after sufficient time has passed to be able to fully understand the contents of the statement of objectives prior to developing the provider's final technical solution.

Steps 4 and 5 seek to help the agency select the provider that best meets the requirements in the statement of objectives as evaluated according to the evaluation criteria. Oral presentations given by the provider in structured interviews enhance the agency's ability to understand what is contained in the written proposals.

Conclusions

Multi-sourcing allows significant efficiency in the provider selection process when it is combined with multi-award contracts. Organizations can expedite the evaluation and selection process by focusing task order evaluations on new order-specific information – such as the provider's unique technical solution, staff, performance measures and price for the specified requirement – while leveraging pre-qualification criteria such as past performance that service providers previously provided as part of the multi-award contract competition.

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