

## Case Study on Effective Vendor Engagement

# Loan Management and Accounting System

Acquisition of Services to Identify, Implement and Host the Solution

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# Background

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- Outdated loan management and financial management environment:
  - Implemented in mid 1950s
  - Unable to meet current business needs.
  - Dependent on obsolete technology, scarce resources and vendors.
  - Built on stove piped systems with redundant data
  - Expensive to maintain.
- Initiated modernization effort in FY 2006
- Submitted Exhibit 300 in FY 2006 to receive funds in FY 2008

## Challenges (FY 2007)

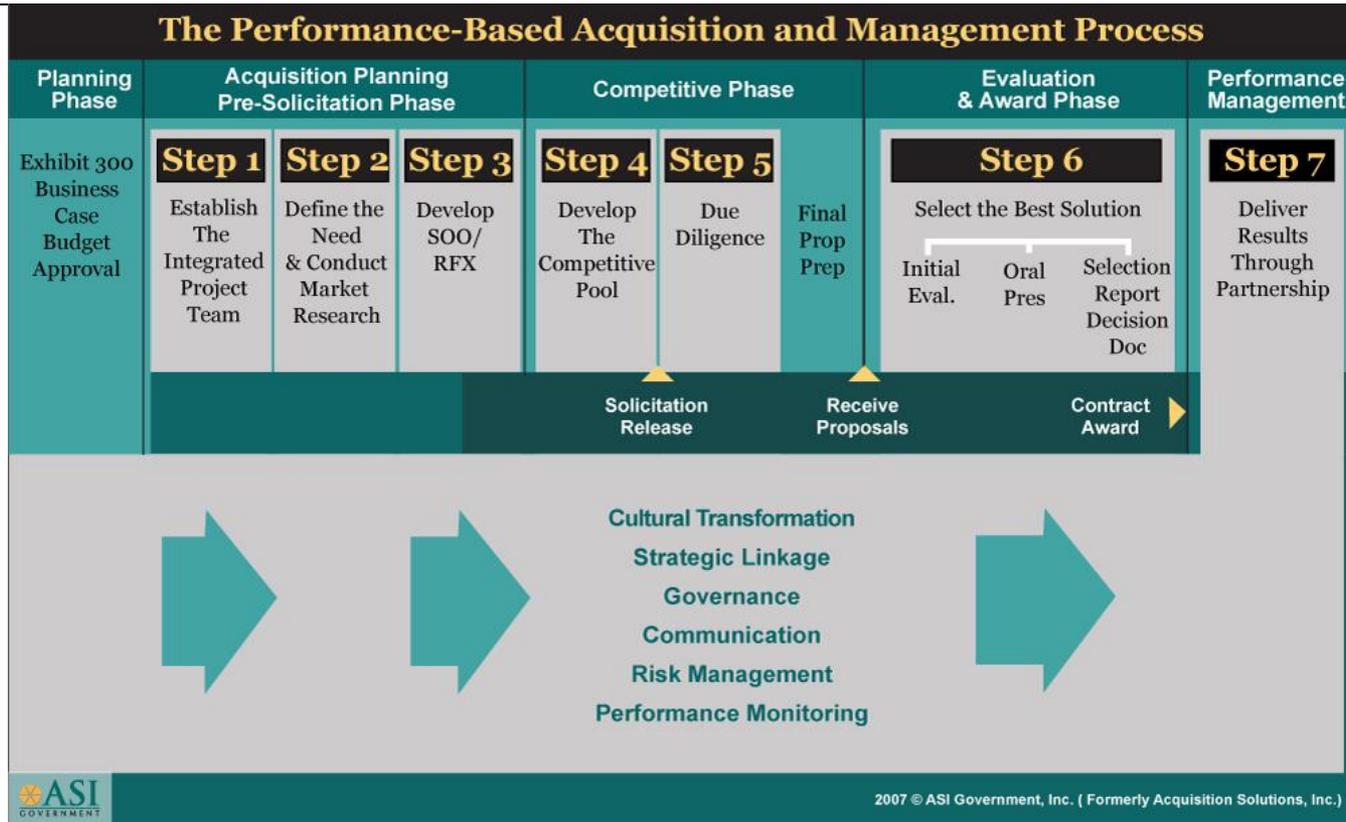
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A continuing resolution and the other high priority initiatives could have paralyzed the project.

- Lack of documented requirements
- Lack of funds to develop requirements and identify a solution
- Limited time commitment by major stakeholders due to competing priorities
- Lack of understanding of the marketplace

# Solution – Use Seven Steps to Performance Based Acquisition using Statement of Objectives (SOO)



- Define the problem to be solved
- Facilitate “competition of ideas” among Industry experts
- Select the best solution Industry offers

# Step 1 – Establish the Integrated Solutions Team (IST)

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FAR 1.102,  
Statement of  
Guiding  
Principle,  
encourages  
teamwork



- Established and prepared the team to:
  - ✓ participate in the acquisition process, and
  - ✓ define the problem *for the vendors*.

## Step 2 – Define the Need and Conduct Market Research

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- Defined the problem and the desired results
- Drafted the SOO
- Drafted the scenario-based test scripts to be used for validating the solution as part of the evaluation process.

## Step 2 – Define the Need and Conduct Market Research

FAR 15.201 encourages exchange of information with industry



Results

- Market Capabilities
- Experiences of the vendors
- Best practices
- Lessons learned
- Feedback on the draft Acquisition Strategy
- Feedback on the draft SOO

- Identified the target marketplace(s)
- Held one-on-one meeting with vendors
- Examined private-sector and public-sector solutions
- Solicited feedback on the draft SOO
- Solicited information on vendors' capabilities and experience in meeting the stated objectives

## Step 5 – Conduct Due Diligence

FAR 15.201 permits exchanges with the offerors before receipt of proposals



FAR 15.201 requires the government to protect the information exchanged with the offeror

- Held one-on-one meetings with the offerors in the competitive pool
- Provided each offeror an opportunity to ask solution-specific questions and learn more about the status quo and desired objectives
- The answers were not shared with the competitors

## Step 6 – Evaluation and Award Phase

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### Engaged offerors during the Evaluation process:

- Solution demonstrations using the test scripts included in the RFQ
- Oral Presentations

### Debriefed vendors after the award:

- Invited vendors for debrief
- Answered questions patiently

# Results

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- Completed the acquisition as per the schedule without any protest
- Identified the best solution industry had to offer without detailed requirements
- Completed the pilot that verified that the solution meets the objectives