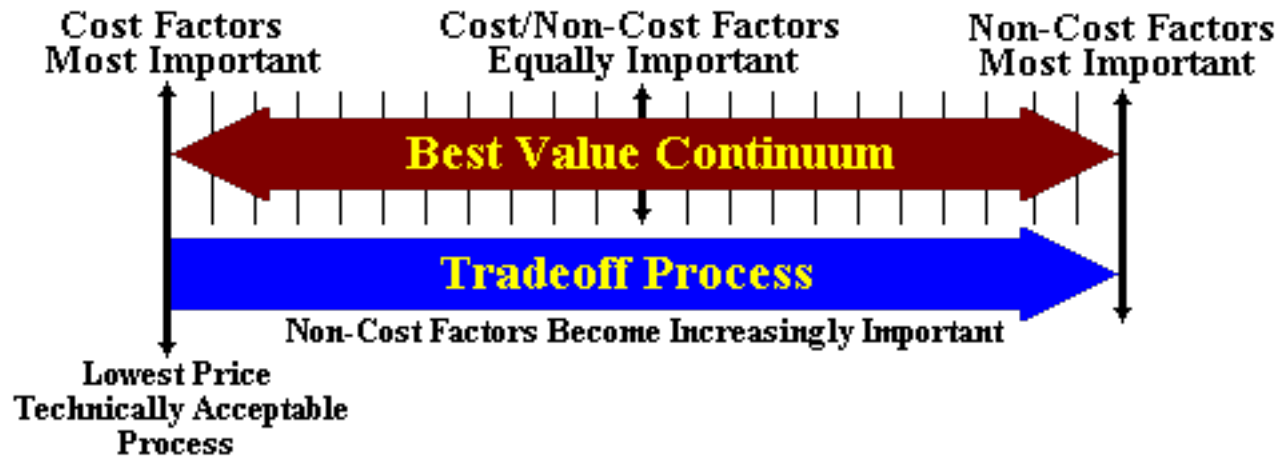




# Strategies for Lowest Price Technically Acceptable Bids



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# The Challenging LPTA Landscape

- Clients under (perceived) extreme budget pressures
- Major weapons systems procurement woes reflected on services and IT procurements
- Poor communication between policymakers and CO's produce a policy-implementation mismatch
- Large firms have moved into smaller contracts
- Small firms have some unintended advantages
- Incumbents lose competitive advantage (Quals may not factor)
- Client sacrificial culture ("It's all we can afford" mentality)

## **BUT**

- Clients still have money to spend
- Clients are still extremely risk adverse
- Leadership still values quality
- Large number of small firms make teaming easier
- Large-scale engagement practices do not translate well into small-scale ones
- BBP 2.0 shifts to Technically Acceptable Lowest Price

# Better Buying Power 2.0

When LPTA is used, **define Technically Acceptable** to ensure needed quality: Industry has expressed concerns about the use of Lowest Price, Technically Acceptable (LPTA) selection criteria that essentially default to the lowest price bidder, independent of quality. Where LPTA is used, the Department needs to **define TA appropriately** to ensure adequate quality.

# Some Thoughts

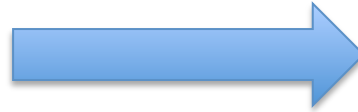
- Use client risk aversion to your advantage
- Know the guidelines (FAR, BBP 2.0, DFAR, etc)
- Incumbent is in a tough spot
- No points for extra effort
- Factors in “Technically Acceptable”
  - Credibility, quality, schedule, capacity, reputation, past performance, personnel qualifications, project management, approach, risk management, facilities
- Focus on minimums, not differentiation
- Lower rates by teaming
- TA must be comprehensive...must clearly define government’s minimum requirements (low risk, high probability of delivering, etc)
- LPTA winning proposals focus on proving you are the only acceptable offerer.
- “Buying” the work is a one-time silver bullet for most firms

# What can you do about LPTA?

- Pre-RFP Decision:
  - Steer client away from LPTA
  - Stress performance
  - Talk with CTR/CO about risk
  - Discuss your rates in light of reasonableness and realism
  - Play the BBP 2.0 Card
- LPTA Decision
  - Influence what is Technically Acceptable
  - Know the competition and their rates
  - Suggest orals
  - Suggest scenario-based eval
  - Keep talking about price reasonableness and realism
  - Stress need for clear, concise and accurate requirements
- Post RFP
  - Avoid price-to-win
  - Ghost the competition in terms of credibility, risk and price parameters
  - Team!!
  - Highlight risk
  - Demonstrate you are TA and others are not

# What are the Options?

If you are the incumbent



- ++ Influence
- Price Shootout (P2W)
- ++ Be the only TA bidder
- Team
- +/- No bid

If you are not the incumbent



- +/- Influence
- Price Shootout (P2W)
- + Be the only TA bidder
- ++ Team
- +/- No bid

# What We Can Do For You

- Assist in proposal writing and developing
- Assist in proposal reviews
- Provide coaching to client-facing teams
- Assist in capture strategy development
- Provide bid-no bid assessments of LPTA-type RFPs
- Develop client contact strategies to when LPTA is an issue
- Pipeline review with LPTA risk assessment
- Assist in developing pricing strategies
- Small Business contacts
- Conduct some limited competition pricing analysis