

Activity 7.2: Senior Leader Role-Plays—Scenario 1

Scenario 1 - Source Selection Advisory Council (SSAC)

Background

Three members of the SSAC (the Source Selection Authority, the Small Business Senior Leader, and the Contracting Officer) will be meeting to discuss a Department of the Army acquisition for flight training services for an Army Helicopter Training Program at Fort Howard in New Jersey. The acquisition is anticipated to be a firm fixed-price contract for five years. It will provide contractor-owned helicopters, contractor-furnished pilots, maintenance support, and instructor training. The Request For Proposal includes the following evaluation factors:

- **Technical**
 - Offerors are required to furnish sufficient information to verify performance and technical characteristics, including:
 - Structural design and a plan for substantiation of structural integrity of the helicopter
 - Helicopter fatigue criteria and summary of fatigue test results and analysis
 - Strength summary and report on operating restrictions
 - A structural flight demonstration plan, including the performance of mission profiles “as set forth in the Functional Description incorporated in solicitation.” The requirement is based on having 19,000 flight hours of training each year.
- **Price**
- **Management**
 - Offerors are required to demonstrate the ability to manage the program required by the solicitation. Subfactors are identified as:
 - Ability to meet the published schedule requirements of the government at an acceptable level of risk
 - Performance potential and management dedication, which includes an assessment of:
 - Management organization
 - Key personnel
 - Management controls
 - Demonstrated past performance
- **Small Business Participation**
 - Offerors are required to propose small business participation of at least 15 percent of the total contract value and to demonstrate:
 - The extent to which firms are specifically identified in the proposal
 - The extent of commitment to such firms (such as enforceable commitments)
 - The complexity and variety of work

- The realism of the proposal

The solicitation provides for award for the “best value” to the government based on the four evaluation factors. Technical approach and price are of equal weight and are significantly more important than management and small business participation.

The solicitation is a full and open competition. Three proposals were received in response to the solicitation.

Additional Information

During source selection and before the receipt of Final Proposal Revisions (FPR), the newspaper announced that Dell Helicopter, one of the small business offerors, was engaged in discussions about the possible sale of the company and that it had failed to make debt payments the previous month. Dell mentioned in its FPR that it was confident it could continue providing quality products and services. The Contracting Officer requested a pre-award survey from the Defense Contract Management Agency (DCMA) and DCMA recommended against award due to the firm's current assets being less than 10 percent of its liabilities; thus, it did not have the working capital needed for contract performance. The SSAC has recommended that a non-responsibility determination is inappropriate because this issue would be addressed under the management evaluation factor, and therefore does not need referral to the Small Business Administration (SBA) to make a determination of responsibility for this small business.

After discussions and receipt of three FPRs, the SSAC received the evaluations from the Source Selection Evaluation Board (SSEB). Below is a summary of the information they received.

Hawkins Helicopters: A large business
Technical: Met or exceeded the requirements. Rated as medium risk. The technical proposal met or exceeded the requirements; however, the proposed helicopters were built between 1970 and 1980. The proposal is rated as medium risk due to difficulty in accounting for the remaining fatigue life and difficulty in some of the maneuvering required for training. This will require special contractor emphasis and close government monitoring because of remaining fatigue life of used aircraft and its ability to meet the specification requirement for maneuvering capability. The proposal was based on 19,000 flying hours per year.
Price: \$270,000,000
Management: Met requirements with low risk.
Small Business Participation: Met the requirement

Dell Helicopters: A small business
Technical: The proposed helicopters are new and the helicopter significantly exceeds the technical requirements of the proposal. The proposed helicopter will provide realistic training.
Price: \$265,000,000 (Offeror proposed 0 profit, asserting it would base its profits on the sale of the helicopters at the end of the contract.) FPR final price was based on 15,000 flying hours instead of the 19,000 flying hours per year required by the solicitation. Dell stated that they would absorb flying hours above the 15,000 in their proposal by reducing the profit realized from the sale of the helicopters. They thought 15,000 flight hours was a more realistic estimate of what the post would actually require.
Management: Originally rated highly satisfactory with low risk. However, after the DCMA rating was brought to the team's attention, they changed the rating to high risk based on Dell Helicopter's attempts to address financial problems that might lead to a change in ownership and a consequential change in management, and the firm's decision to forego a fee and base the cost on 15,000 flight hours annually, which could place it in a loss situation and thereby diminish its incentive to perform properly.
Small Business Participation: Exceeded the requirement.

ABC Helicopter: A small business
Technical: Unacceptable due to exceptions to the technical requirements. They proposed only 10,000 flight hours per year and the helicopters they proposed do not meet the maneuverability requirements.
Price: \$340,000,000
Management: Met requirements with low risk.
Small Business Participation: Exceeded the requirement.

Scenario 1 Questions

1. During the analysis what information from the scenario did you consider in making your recommendations?

2. What new information did each role introduce during the scenario discussion? In what ways, if any, did new information change the dynamics of the discussion?

3. What alliances, if any, formed during the discussions? How did they affect the dynamics of the discussion?

4. What were your long-term considerations for the role-play? How did your long-term considerations align with your short-term objectives? If your short-term and long-term considerations were in conflict for the scenario, which did you determine were more important?

5. What leadership tools would help you prepare and advocate for your position for the scenario?