

RIE Sets New Benchmark for Innovation in Small Business Program

During the week of Dec. 8, the NSWC PHD grass roots Sources Sought Notice Rapid Improvement Event (RIE) Team improved the Sources Sought Notice that is used to conduct market research in determining whether or not a PHD procurement can be set aside for small business. According to Tom Winans, the PHD deputy for small business, the real news is that the RIE team took the notice to an unexpected new level of standardization.

Winans said, "Several improvements were made, but one was especially important. It's amazing what adding one word to our Sources Sought Notice will do to clarify things and to help small businesses. This is a real breakthrough for small business competing for contracts here at NSWC PHD. Ultimately, it should help them land more of PHD's contract awards."

What was the all-important word? *Potential*. Along with many other significant changes appearing in the new template that contract specialists posted to the Internet starting January 2009, the RIE team clarified that not only a company's existing capability to perform tasking described in a Performance Work Statement is assessed, but their potential capability, if demonstrated, is also considered.

The Sources Sought Notice is a market research technique used by the PHD Acquisition Division. The contracting officer must, to the extent practicable, encourage maximum participation by small business in the contract award process. The notice invites small businesses to describe their capability to perform the requirements in a Performance Work Statement before a solicitation is posted. These capability statements are then assessed by PHD technical person-

nel. In order to set aside a requirement for small businesses only, the contracting officer needs to be able to make a valid determination that two or more capable small businesses exist -- to ensure there will be adequate competition.

The RIE team reviewed the current notice that utilizes a maximum two-pages-long capability statement from interested small businesses. The team looked for ways to clarify anything in the notice that might result in PHD's capability determinations having to be reworked.

With the new Sources Sought Notice, the small business is made more aware that it needs to demonstrate that it possesses existing capability and/or has the potential to gather the required capability to successfully perform prior to the date of contract award. The emphasis should, of course, also be placed on the word demonstrate. In addition, the revised notice lets PHD technical personnel allow up to four pages to be submitted by a small business.

This will be the principal challenge for small businesses as they draft their capability statements — not simply claiming capability but demonstrating capability. "Capable" means the small business has demonstrated that it can perform the work successfully; i.e., it possesses the existing or potential resources to perform the requirements of a contract. "Capable" does not necessarily mean things like the contractor has previously performed the work; has worked for the Navy or for NSWC PHD in the past; has all the required and experienced personnel already on the payroll; or, for instance, already has a local office. Now it is made clear that if a company lacks any capabilities but can

demonstrate a reasonable/realistic approach to, and experience with, acquiring those capabilities, those potential capabilities will be considered and assessed.

The new notice also contains another innovation for PHD — a place for the technical requirements personnel to list all critical requirements of their Performance Work Statements. This will call special attention to any "Go or No Go" requirements that, if not addressed, would result in a determination of "not capable." This will help small businesses to be more effective in drafting their responses.

The RIE team was hosted by Black Belt Martin Jordaan, who rigorously followed the standard approach to conducting RIEs and coached the team on how to produce a charter, control plan, and quad chart, along with Robert Boyd (Value Stream Champion) and Chris Henschel, deputy chief of the contracting office (Green Belt, facilitator). The Chief of the Contracting Office Ann Marie Hagan served as the Value Stream Sub Champion. The team members were Kitten Ellison (team leader), Fred Erhardt, Genevieve Sandalo, David Woodward, Felicia Rodriguez, Roxan Boado, and Tom Winans (deputy for small business).

Winans stated he was very pleased and excited by the results of the RIE Team effort, and said he really enjoyed the spirited "give and take" of the RIE experience.

"I highly recommend volunteering to serve on an RIE Team," said Winans. "Something good is guaranteed to come out of an RIE, and it makes you feel very good to have been a part of improvement, progress, or innovation, or whatever you want to call it!"

