

This presentation was delivered to PTAC (Procurement Technical Assistance Center) professionals.

The purpose was to provide them with tools, resources, and insights that they can provide to their clients, who are typically small business contractors and subcontractors.

Anticipating Market Research In Your Proposal



Meet your Presenters



Robert E. Jones

Government Contracts & Accounting Expert
CPA, CPCM, NCMA Fellow

- Over 15 years of Department of Defense contract and accounting experience.
- Has successfully managed over \$400 million in federal contracts.



Patrick Mathern

Founder SpendLogic - Federal Procurement
Compliance Experts

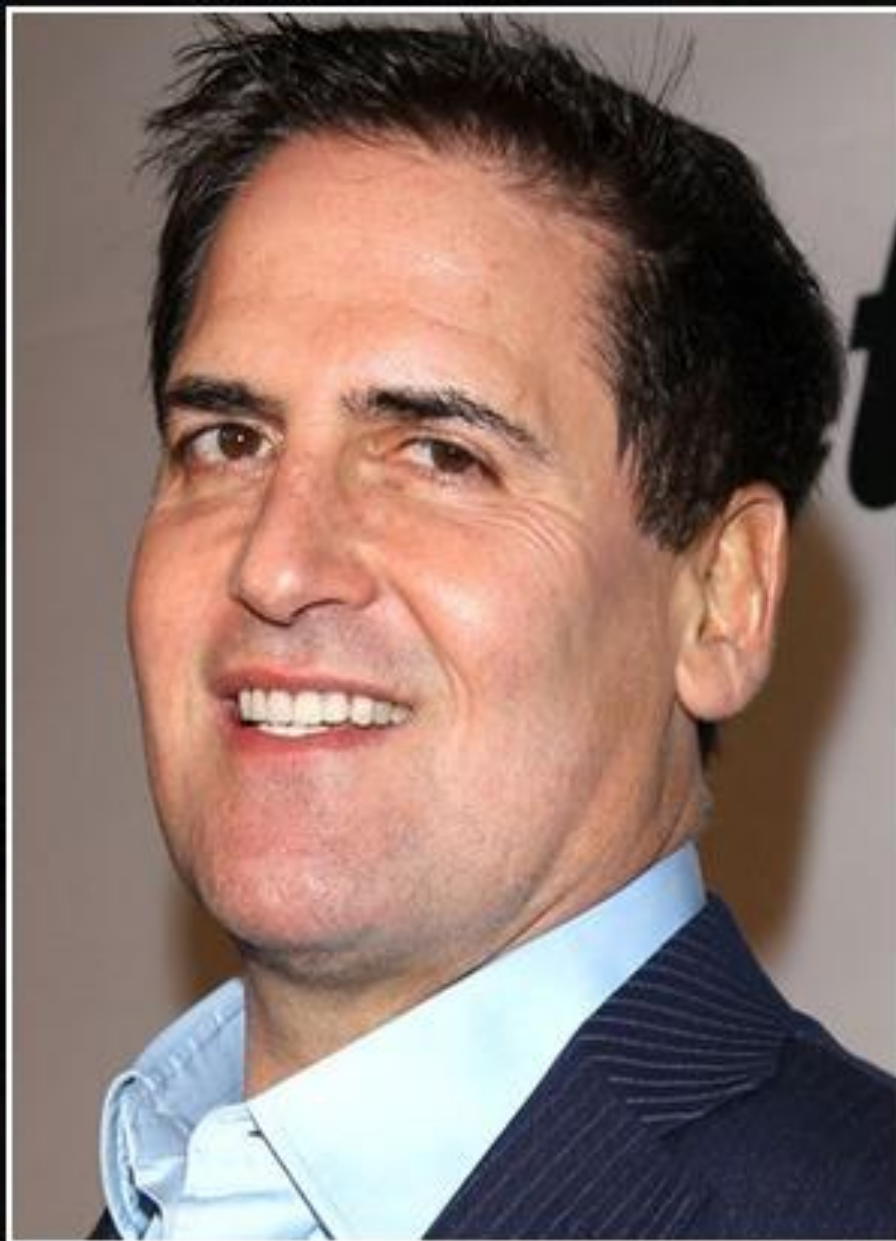
- 19 years of Department of Defense contract and accounting experience.
- We have worked with each of the top ten defense contractors in the capacity of cost and price analysis

SpendLogic

 Left Brain
Professionals

Learning Objectives

- Explain different types of market research
- List reasons why sellers need to think about market research
- Locate market research tools for small businesses



Make your product easier to buy than your competition, or you will find your customers buying from them, not you.

— Mark Cuban —

Updated for government contracting....

“...or not at all!”

If you bring back nothing else...

Understanding and even pre-empting the customer's market research will make it easier to award business to new contractors.

2 Types of Market Research

Strategic:

- Overall view of the market
- Determine whether commercial sources exist
- Always ongoing

**Industry-Wide
Information**

Tactical:

- Specific products or services
- Conducted at multiple points in a program's lifecycle

**Bidder's
Marketing and
Proposal / Sales
Activities**

Typical Market Research

Agencies

- Outlined in FAR 10
- Required >SAT if not purchasing commercial
- Mainly conducted presolicitation
- Focused on source selection
- Also relates to Small Business set-asides in FAR 19

- Tailored by size/complexity
- Increased difficulty when related to non-competitive price analysis

Primes

- Only required by FAR if Prime >\$5.5M and flow-down clause is included
- Typically not very rigorous or very well documented
- Pre-solicitation is typically focused on competition

Thinking like a buyer

1. Consider the procurement stage
2. Assess your market position
3. Take the appropriate action

Assess Your Market Position

Requirements development

- Are you known and visible in the marketplace?
 - Make yourself easy to find (Online, DUNS, SAM, etc.)
 - Contact the agencies/primes with whom you want to do business
 - If you qualify for set-asides, make it known!
 - Make sure details of your offering are on your website
- Do you have a commercial solution that fills a need?
 - Even if it requires modification, make sure to highlight this
 - Show how you meet the requirements of the definition of a commercial item or service
- Where do you stand price-wise? Capability-wise?
 - Educate the buyer

Assess Your Market Position

Solicitation

- Have you taken part in the requirement definition?
 - Get to know the CO's that have issued similar contracts in the past
- Have you responded to RFI's and Sources Sought notices?
 - Watch Fed Biz Ops (now beta.SAM.gov)
 - Participate in all Q&A sessions and any other outreach activities related to a particular procurement
- Do you have products/capabilities that clearly set you apart?
 - Include a comparison chart in your proposal

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Encourage contractors and subcontractors to include a price analysis and/or commercial item determination with their proposal.

They can create as many as they want with a free license from [SpendLogic.com](https://www.spendlogic.com).

Assess Your Market Position

Factfind/analysis

- Is information readily available in the marketplace to compare solutions?
 - Take time to define the competition to which you want to be compared
 - Anticipate buyer difficulties and include information with your proposal
 - The fewer other sources there are in the market, the more difficulty the buyer will have
- Can price be determined “reasonable” based on what’s available?
 - Include a price analysis with the proposal
 - If you have evidence of recent sales, provide it
- Can you make the case that yours is a commercial solution?
 - Include an assertion that aligns with FAR 2.101 definition
 - Provide your own market research that shows your solution in a positive light

Market Research Templates

SAMPLE TEMPLATE

MARKET RESEARCH/COMMERCIAL ITEM DETERMINATION MEMORANDUM

TO: PRE-AWARD CONTRACT FILE

Ref: SOLICITATION NO.: {Insert number}
PROJECT: {Insert title}
NAICS CODE: {Insert code}

CO: {Print Name Here and Signature on the line above}

DATE: {Insert date}

This memorandum is in accordance with Federal Acquisition Regulation (FAR) Parts 10, Market Research; 11, Describing Agency Needs; and 12, Acquisition of Commercial Items, which describes the policies and procedures for conducting market research in order to determine the most suitable approach to acquiring, distributing, and supporting supplies and services. This part implements requirements of 41 U.S.C. 253a(a)(1), 41 U.S.C. 3307, and 10 U.S.C. 2377.

The extent of market research will vary, depending on such factors as urgency, estimated dollar value, complexity, and past experience. Market research involves obtaining information specific to the item being acquired.

- Background:** {Describe the acquisition and compatibility requirements, history, i.e. previous buys, etc.}
- Delivery / Performance Time:** {State the delivery and performance timelines for the services or supplies to be procured}
- Potential Sources Provided by COR/Technical Contact:** {List the names and addresses of the potential vendors}
- Market Analysis:** {Check all applicable boxes}
 - Required Sources of Supplies and Services. (Listed in order of priority, ref. FAR Part 8)

Supplies:	
<input type="checkbox"/> is	<input type="checkbox"/> is not Agency Inventories
<input type="checkbox"/> is	<input type="checkbox"/> is not Excess from other agencies
<input type="checkbox"/> is	<input type="checkbox"/> is not Federal Prison Industries, Inc. (UNICOR)

MARKET RESEARCH DOCUMENTATION TEMPLATE

Your market research is not complete until the results are documented. Remember; document your results in a manner *appropriate to the size and complexity of the acquisition* (FAR Subpart 10.002 (e)). Don't forget to use the results of any ongoing market surveillance (an ongoing process and includes all the activities that acquisition personnel perform continuously to keep themselves abreast of technology improvements, product developments, and commercial business practices relative to their areas of expertise). Also be sure to be aware of history and past market research, but do not overly rely on it. More credence should be given to more current information.

Realize as you are doing market research that although we seek to find ways that the market can meet our needs (if it is in the government's best interest) we can change our needs to meet the market. Market research will not only shape how we are buying something, it may influence what we are buying as well.

This format is meant to guide you as you document your market research. Obviously, not every area is pertinent to every acquisition. If you have additional items not included in this list, add them also. Once you have entered the appropriate information in the following areas, your market research must be documented. Much of this information will flow directly into other documents such as your Acquisition Plan, so refer back to this document often as you continue in your acquisition.

For further guidance, you can go to the OO-ALC/AE website (<https://hillnet.hill.af.mil/HAFB/ALC/PK/newcontracting/Resources/AE/home.asp>), or contact the OO-ALC/AE office at 586-2188 or the OO-ALC/SB website (<https://org.eis.afmc.af.mil/sites/OO-ALCSB/default.aspx>) or call 777-4143.

MARKET RESEARCH-PRODUCT/SERVICE TEMPLATE

Author
Date

*** Product/Service Description**

Include a description of the product or service to be addressed by this market research report. Information shall be provided to state current and projected quantities or service requirements to be addressed by this acquisition as well as an assessment as to the potential sustainment life cycle for any follow on requirements. Provide an estimated dollar amount and projected period of contract performance for this requirement.

Background

Provide a short narrative on the various weapon systems and/or platforms for which this product or service shall be used to support. For follow on contracts include information relative to the previous awards such as:

- past acquisition strategies supported
- activities taken to remove competitive barriers
- actions data to resolve deficient data issues
- changes in the market place (suppliers, trends, technologies)
- past acquisition history

Understanding Requirements: Commercial Items

There are 7 methods by which you can claim commerciality, each with its own requirements.

Attached here is an example from Northrop Grumman

RFQ/RFP No.:			Supplier Number
Supplier Name			
Provide the following data (use additional pages as necessary)			
Manufacturer (as applicable)	Manufacturer Part Number/ Statement of Work	NG Part Number (P/N) (if applicable)	Supplier's Assertions
			Choose an item.
			Choose an item.
			Choose an item.
			Choose an item.
			Choose an item.
			Choose an item.
			Choose an item.
			Choose an item.
			Choose an item.

Annotate evidence of commerciality in the text boxes, use attachments as necessary. If more than one item meets the same commercial type definition, identify and provide evidence for each item. An item/service shall be defined as commercial if it meets one or more of the following (reference FAR 2.101):

A. Commercially available off-the-shelf (COTS) item—

(1) Means any item of supply (including construction material) that is—

- (i) A commercial item (as defined in paragraph (1) of the definition in this section);
- (ii) Sold in substantial quantities in the commercial marketplace; and
- (iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

If COTS provide copies of commercial pricing and availability including evidence of commercial sales in substantial quantities in the commercial marketplace.

B. Commercial Items

(1) Any item, other than real property, that customarily used by the general public or by non-governmental entities for purposes other than governmental purposes, and,

- (i) Has been sold, leased, or licensed to the general public; or
- (ii) Has been offered for sale, lease, or license

If Yes to either i or ii above, Please provide evidence of one or more commercial sales, lease, or license to the general public for each part number (or offer for the same), including the applicable order quantities, unit prices and terms and conditions.

Understanding Requirements: Price Analysis

Download the Contract Pricing Finance Guide [here](#)

Typically required if competition not possible

Conduct your own price analysis and submit it with your proposal

SpendLogic.com offers free licenses for their online price analysis reporting tool

Additional Training & Resources

SBA's course on market research aimed at contracting officers:

- <https://www.sba.gov/course/market-research-guide-contracting-officers/>

Third-party training related to proposal development and cost/price analysis

- <https://spendlogic.com/training>

Additional Training & Resources

Government sources of market research

- System for Award Management (SAM): <https://sam.gov>
- Federal Procurement Data System: <https://www.FPDS.gov>
- Federal Business Opportunities (Fed Biz Opps): <http://www.fedbizopps.gov>
- GSA: <https://acquisition.gov/gsa>

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<https://spendlogic.com/resources>

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