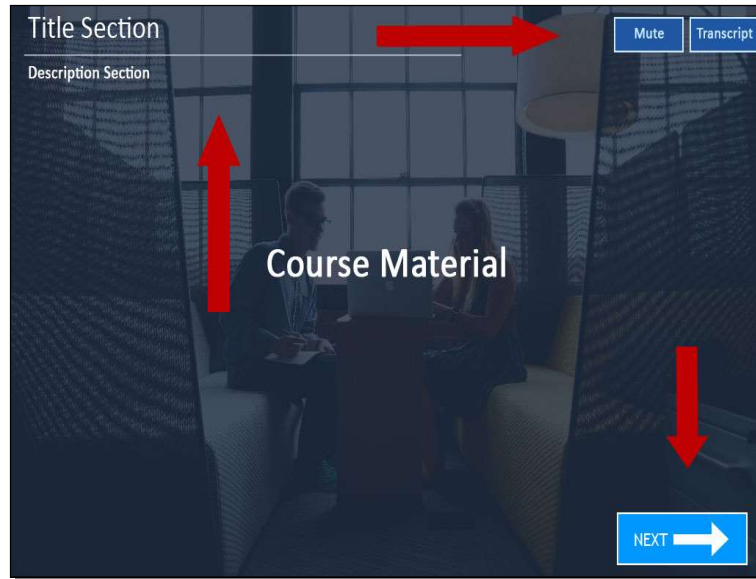


Video Transcript:

Hi learners, my name Layne Morrison and I am a Service Area Manager within IBM's Federal practice. I've been with IBM for 12 years – and I've worked on several proposals each year since my first year here, as an author, reviewer, proposal manager. I love the creativity and energy in proposals – which usually entails drawing together new patterns of IBM solutions and teams in service of the challenges for our government clients.



Course Instructions:

This course will cover four objectives and will have a knowledge check at the end.

Titles of each subject will be located at the top left corner with a description right below it. If you are ever lost, look at the Title and Description. A transcript of the material and a mute button will be located on the top right corner.

When the section is completed, see the “Next” button on the bottom right corner to click-through to get to the next section.



Proposal Module Objectives:

In this course we will cover several topics to help you understand more about federal proposals.

We begin by discussing the importance of proposals to our business and then considering proposals from the perspective of our government clients.

We will review how the federal procurement process begins and learn about the architecture and timing of federal budget and regulations, up until the point when the solicitation is released publicly for contractor bid.

Let's get started. Click NEXT to move forward.



Importance of Proposals:

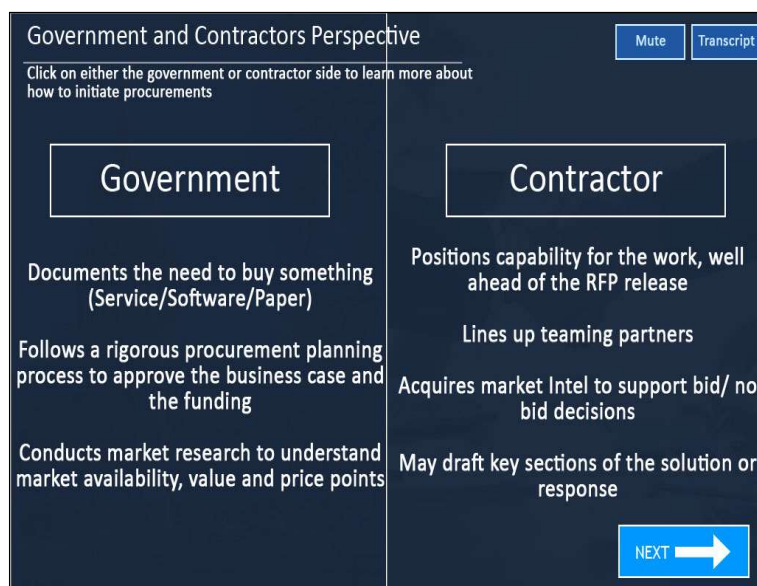
Business development is a natural and necessary complement to our day-to-day project delivery.

Without proposals, we cannot grow new business.

Almost all of us will and are expected to contribute to proposals at some point. Quite frankly, because proposals are often very short term and created under tight IBM budgets as well, proposal teams may rely on practitioners with experience and skill.

Taking this course is a first step in acquiring the skills to work on a proposal team.

As part of a proposal team you will benefit from your experience in several ways: on large proposals, you'll meet a new team, often cross-practice or even cross sector. If you work outside your usual client domain, you will learn about new clients. And you'll learn about broader solutions, presented with opportunities for innovation. If you're looking for a project switch or growth role, it is ideal to be involved in a proposal –if won, you may have an opportunity to deliver the new work!



Government and Contractors Perspective:

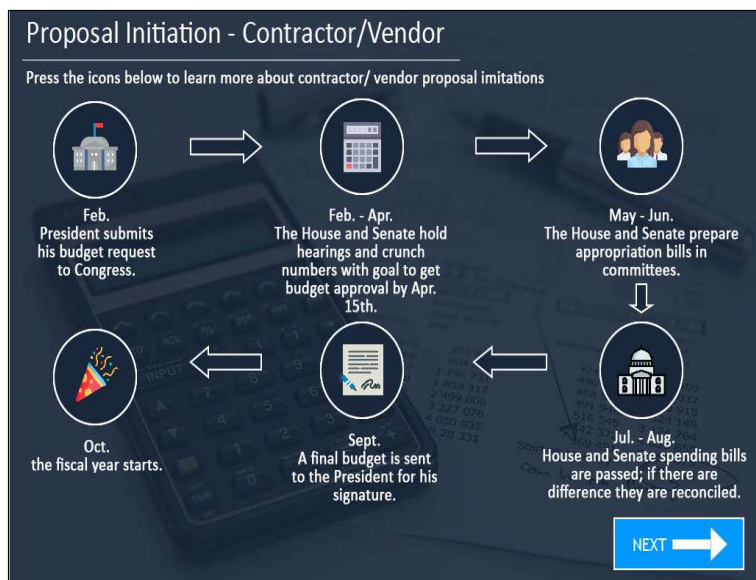
Let's talk about how procurements begin. Procurements are initiated and owned by the government, of course – but as contractors *serving our government clients at every turn*, we are constantly watching, seeking and sharing information with our clients on their journey.

Government procurement starts with a need – one that can be filled either by the government themselves or outsourced to contractors. That's one of the key decisions our government clients make determining how to meet a need. They document the business case, seek funding, and conduct market research for an informed purchase, ultimately crafting a clear solicitation that enables a fair competition and transparent acquisition.

From the Contractor perspective, this lengthy process is one that usually provides ample views into government thinking and opportunities to anticipate key elements of upcoming solicitations.

The Contractor may also meet with government to share perspectives and try to shape priorities – for example, I'm meeting with a government client next week to share how IBM uses analytics in our own procurement process.

Teaming Partners: We cultivate good teaming partners who bring additional capabilities, insight and past performance. IBM may partner as a 'prime' or 'sub'. We are often particularly interested in Small Businesses, often referred to as SB, as procurements may have a designated or required percentage of work that is "SB set aside"



Proposal Initiation- Contractor/Vendor:

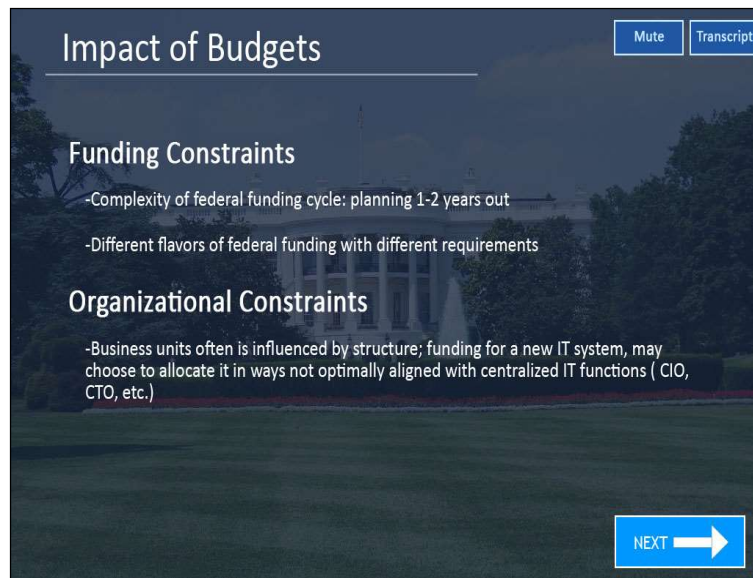
Let's talk about the Federal Budget process, which is distinct from our State and Local work. Federal budgets run October to September, while most state budgets begin in July.

As you can see from the images displayed, the process typically begins with the President's budget. Agency plan and review their budget with the Office of Management and Budget (OMB) - result in the release of the President's Budget Request, traditionally the first week in February.

Next is the Congressional appropriations cycle, typically running from Feb to April – when the House and Senate Budget Committees set total allocation levels. House and Senate ideally agree on a deeming resolution, yet in the absence of one, may set allocations otherwise, called 302(a) allocations, for House and Senate Appropriations Committees.

From May through June: Each of the 12 subcommittees, each dealing with a different part of the budget vote and set their allocations. From July – Aug the Reconciliation process takes place. Ultimately the budget is sent to the president to sign – starting the Federal Fiscal Year October 1.

Keep in mind this is the theory, and it is not unusual to have exceptions. In all but one of the last 10 years, there was a Continuing Resolution or a "CR" – meaning a delay in Congressional approval so the government runs, by default, on the budget from the prior year and suspends any new, noncritical work.



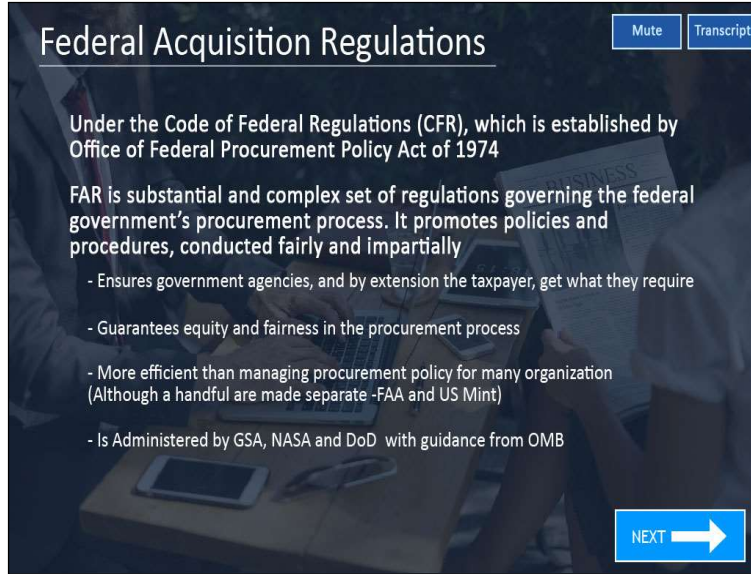
Impact of Budgets:

In fact, at any given time, we talk about 3 budgets in government – the one being executed, the one in appropriations and the planning for 2 years from now. This year, the budget was released in February for next year, when lawmakers still hadn't passed omnibus legislation for this year. Budget delays lead to uncertainties for our clients and as a result, uncertainty for us.

Contracts are only a very small part of the budget - about 7%. For example, the obligated 2018 federal budget was \$1.2 Trillion, of which the vast majority, 83% were grants.

So, keep in mind:

- contracts and projects are often determined and budgeted far in advance, leading to long procurement cycles
- Federal funding has many requirements and designations for use
- Lastly, even within an agency there are various intra-agency dynamics and politics that may determine how budgets get used and allocated.

The image is a screenshot of a presentation slide titled "Federal Acquisition Regulations". The slide has a dark blue background with a faint image of a person working at a desk with a laptop and a tablet. In the top right corner, there are two buttons: "Mute" and "Transcript". The main text on the slide reads: "Under the Code of Federal Regulations (CFR), which is established by Office of Federal Procurement Policy Act of 1974". Below this, it states: "FAR is substantial and complex set of regulations governing the federal government's procurement process. It promotes policies and procedures, conducted fairly and impartially". There are four bullet points: "- Ensures government agencies, and by extension the taxpayer, get what they require", "- Guarantees equity and fairness in the procurement process", "- More efficient than managing procurement policy for many organization (Although a handful are made separate -FAA and US Mint)", and "- Is Administered by GSA, NASA and DoD with guidance from OMB". In the bottom right corner, there is a blue button with the word "NEXT" and a right-pointing arrow.

Federal Acquisition Regulations:

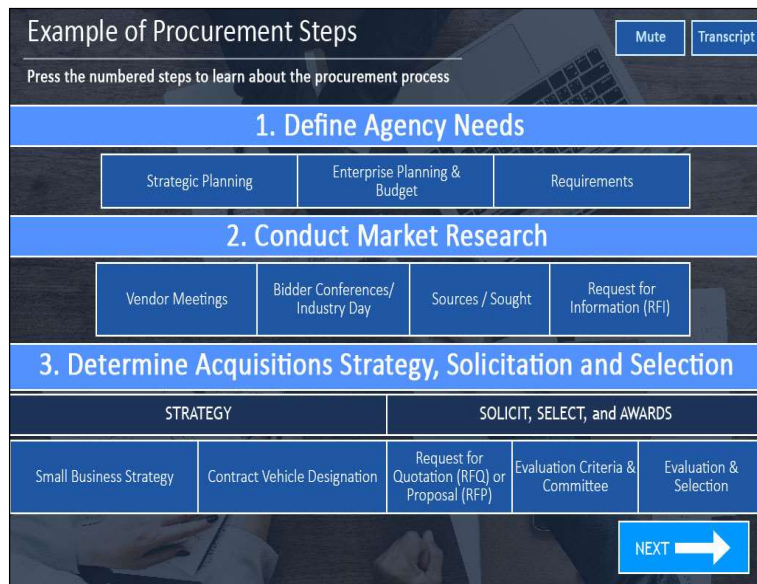
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- Ensures government agencies, and by extension the taxpayer, get what they require
- Guarantees equity and fairness in the procurement process
- More efficient than managing procurement policy for many organization (Although a handful are made separate -FAA and US Mint)
- Is Administered by GSA, NASA and DoD with guidance from OMB

Overall, government procurements are regulated by Federal Acquisition Regulations – or the “FAR.” These are administered by GSA, NASA and DoD on behalf of the other agencies, under guidance from OMB.

Please take time to learn more about FAR by selecting the Learn More Here button on the next screen.



Examples of Procurement Steps:

Ideally acquisitions are well-planned. Here's the steps our clients might take...

Defining their needs entails strategic planning, agency budgeting and requirements definition

Conducting Market research may involve meeting one on one with vendors, releasing an RFI

Acquisition Strategy, Solicitation and Selection has two parts, first strategy, who can and should fulfill this need (ex. if it can be fulfilled by SBs, it might be an SB set aside).