

## **Pursuing, Bidding, and Winning IDIQ Work – A Methodology for Reducing Risk and Increasing Success**

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## Introduction

Contractors in our evolving industry are now requiring increased speed, agility, and accuracy to bid and win their share of the growing number of Indefinite Delivery Indefinite Quantity (IDIQ) opportunities. In contrast to traditional proposals, IDIQ pursuits require strategies, processes, and tools that greatly accelerate response times while managing the risk inherent in the range and complexity of the associated Tasking Orders. As elusive as these capabilities may seem, they are attainable.

A sensible approach to managing the increasing number of these fast-moving opportunities not only requires established proposal processes and tools, but a broad estimating and analysis framework. To compete, win, and execute on these IDIQ contracts and their subsequent Tasking Orders companies must establish a framework that manages the full range of key activities and outputs.

The bottom line is that the pace at which you must operate in the IDIQ environment requires a complete paradigm shift. You will need to identify the bottlenecks in your process and strip them down to allow your teams to execute rapidly and accurately.

Some common choke-points to look at:

**Pricing Baselines** – Pricing baselines are a critical component of the rapid bid development that is necessary to effectively compete for IDIQ Contracts and the subsequent Task Orders. Implementing a pricing and analysis tool that enables the development, categorization, and factoring of baseline estimates will allow pricing analysis to be focused on high risk or competitive advantage areas.

**Bid Approvals** – The standard proposal governance and approval models are not agile enough to accommodate the timelines required for IDIQ contracts. A new governance model is required that allows threshold and/or variance based approvals. As with the pricing models, the analysis and review for bid approval should be weighed towards the higher risk areas and streamlined for the remainder. Similar to how it is a standard practice in Commercial Industry to have base pricing for core configurations, and focus additional pricing on variable modifications only.

**Subcontractor Management/Collaboration** – Simply put, the more subcontractors you have engaged for an IDIQ contract the more overhead, time and effort, you will have when reacting to tasking orders. In order to realize the competitive benefit of these teaming arrangements you must establish process and integration/collaboration points that decrease this overhead. As you establish both pricing and approval processes within your company to allow more rapid response, it is imperative that those improvements get flowed down thru your teaming agreements.

As with all things, these contracts require a balanced strategy to be successful. Though it is true for ALL program types, the key to success for IDIQ contract pursuits is focused analysis. Most proposal teams include a range of seasoned experts that have been drawn together to produce the best, most competitive bid possible. However, all too often

these teams spend the majority of their time focused on data aggregation and document management rather than detailed pricing analysis, risk assessments, and competitive intelligence.

Though it sounds counterintuitive, in the new paradigm you want your experts focusing the majority of their time analyzing the minority of the bid. Those areas that pose the greatest risks, competitive advantage, or opportunity for differentiation should be the sole focus of your “best and brightest.”

**Strategic Variables** – Many IDIQ contracts have a high rate of complexity based on the wide range of services and work products that can be included under the master contract. Additionally, each individual tasking order, particularly the initial series, can vary by such a degree as to hamper the adoption of a consistent and coherent bidding strategy. For this reason it is vital that a variable and configurable proposal strategy be adopted. Decomposition of the master contract and alignment with variable bidding strategies allows for a more nimble and rapid response approach.

**Teaming/Subcontract Configurations** – Speed is critical to compete and win on IDIQ contracts and the subsequent tasking orders. In many cases teaming or subcontract agreements are necessary to configure a response that meets the requirements specified by the customers. In order to lower the “overhead” inherent in complex teaming arrangements, a modular strategy and framework should be established. This bid approach aligns subcontractors with services and work products in a pre-bid “matrix” that facilitates rapid teaming configurations. Once again this rapid alignment approach speeds up the non-value-add activities and allows the majority of analysis to be focused on key differentiators that will drive a competitive advantage.

**Competitive Intelligence/Analysis** – As competition increases, contractors will discover that a robust competitive intelligence capability will play a key role in their success. Both the gathering of critical competitor information and the enablement of an analysis utility will be vital to shift the advantage and drive better bidding strategies.

The shifting landscape of defense contracting will continue to tax current capabilities and will necessitate change. Unlike the massive process and data consolidation initiatives (ERPs) of the last decade, the steps required to implement a proposal framework that can meet the requirements posed by IDIQ and Performance based contracts can be accomplished rapidly and with immediate ROI.

These processes and outputs truly are the “tip of the spear” of the business and, as such, deserve thoughtful design and proper investment. Though cost cutting initiatives have garnered a large majority of the attention, increasing your proposal/bidding capability will drive the top-line revenue and create new business opportunities.

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