

***From Bid Package to
Detailed EVM Baseline
in One Easy Step,
Can it be Done?***

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What is a Bid Package?

- The Cost Breakdown and Schedule put together in response to a request for a proposal.
- Importance?
 - Perceived by the buyer as the final estimate of the cost of the proposed work.
 - The Buyer expects that the schedule contained in the Bid package reflects how the work will be accomplished.



What is an EVM Baseline?

- Details how the work will be accomplished over the contract period of performance.
(Cost and Schedule)
- Importance?
 - Provides a common basis for measuring progress by both the Contractor and the Buyer.



EVM Baseline – Issues (Buyer's viewpoint)

- Why does it take so long to put together a baseline? (They had the bid package to work from!)
- Why doesn't the EVM Baseline look anything like the bid package?
- It took 6 months just to get a baseline! Are they going to be able to finish the project on time?



EVM Baseline – Issues (Contractor’s Viewpoint)

- What were the contract guys thinking when they put together this bid package?
- Plan, Plan, Plan! Are we going to breach the contract before we’ve even begun the work?
- Wow, it took us so long to plan the baseline, it sure didn’t leave us much time to actually do the work, Are we going to be able to complete on time?

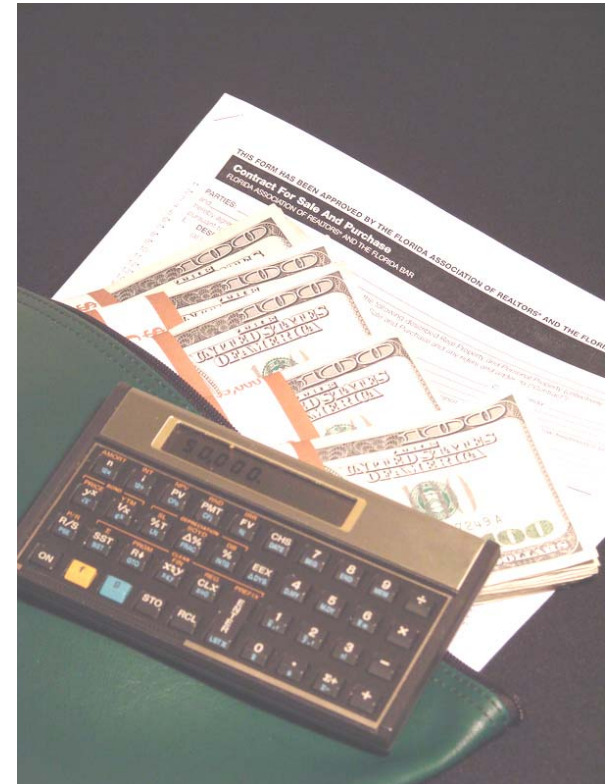


Audience Input – Other Issues?



Bid Package vs. EVM Baseline (Similarities)

- Similarities
 - WBS Structure
 - Milestones
 - Deliverables
 - Top Level Work Descriptions
 - Roll-up Timeframes
 - Processes



Bid Package vs. EVM Baseline (Differences)

- Differences
 - Management Reserve
 - IPT/OBS Structure
 - Work assignments
 - Lower level work packages.
 - resource loaded schedule
 - realistic timeframes



RoadBlocks

- Buyer is not realistic in their Expectations.
- Bidders squeeze too hard when putting together the bid/proposal package to win the contract, thinking they can make it up later with contract changes.
- Did the Bid/Proposal team really understand the complexity of the work?
- Challenges for Mgt Reserve, when is it too much?
- Buyer trying to use Fixed Price R&D contracts without good understanding of the work involved.



Road Blocks (Audience Input)



- **Redo the following 2 to reflect differences in buyer's vs. seller's objectives during negotiation.**

Tips/Tricks (Buyer)

- Know what it cost in the past, and how long it took.
- Put together realistic expectations, instead of trying to fit into unrealistic timeframes and budgets.
- Give Contractors more time to put together their bid packages
- Train **bid review** team on EVM requirements
- Expect some differences between the EVM baseline and bid package.



Tips/Tricks (Contractor)

- Business paradigm shift to have the CAMs/team work on the bid package through work completion
- If Bid team is not the CAM/Work team, at least make sure they know what the work challenges are.
- Train **bid** team on EVM requirements
- Start the EVM baseline from cost and schedule in the bid package, and minimize management challenges
- Can CAMs challenge Management to do more with less?



Tips/Tricks (Audience Input)



Is it Possible to use the Bid Package for the EVM Baseline?

(Audience Thoughts)



Is it Possible to use the bid package Schedule?

- Currently - Maybe/Sometimes
 - If top level is realistic and lower levels can be “filled in”.
- In Future
 - YES!!! **IF:**
 - Top level is realistic and lower levels can be expanded.
 - Resources are realistic
 - Utilized to manage contract and learn from past to provide more realistic schedules.



Is it Possible to use the bid package cost estimate?

- Currently - my answer would be no!
 - Even though bids are put together with historical evidence, they rarely take into account enough differences in the design.
- In future?
 - Yes!!! **IF**:
 - Change the way bid packages are put together
 - More realistic Government buyers/budgets/timelines
 - Manage utilizing the EVM baseline – and learn from past mistakes
 - Contract cost savings sharing.
 - Change the fundamental nature of “negotiating”?

