

Tripwire Survey – Summary Results

NDIA Tripwire Survey Results

Business Size All

Contract All

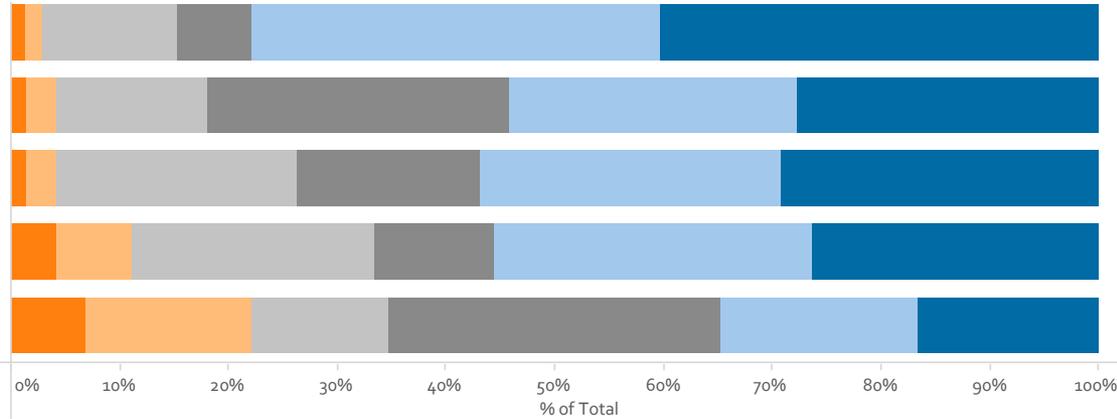
Tripwires affect industry behaviors in proposing staffing plans and bid rates

Tripwires affect government behavior in making a best value determination

The 500 Labor Hour rule restricts bids on contracts requiring specific expertise

Tripwires impact decisions to offer more appropriate (but more senior) rates

Tripwires influence behaviors toward innovative technical approaches



- Strongly Agree
- Agree
- Neutral
- Don't Know
- Disagree
- Strongly Disagree

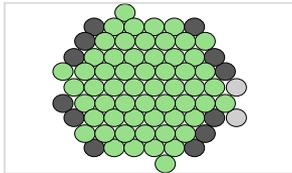
Manage Ctr

SPAWAR CTR	58
No SPAWAR CTR	12
Null	2

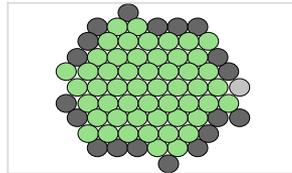
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Small	33
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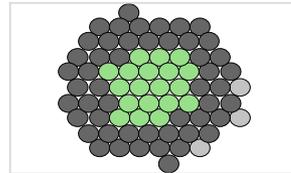
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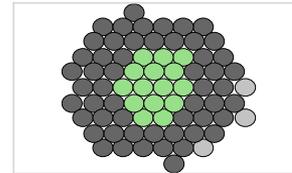
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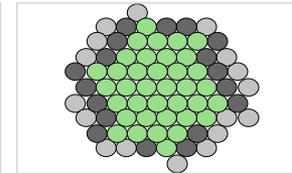
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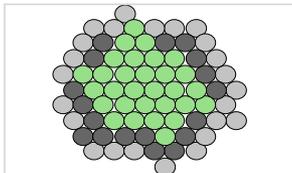


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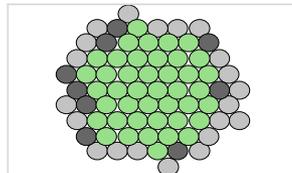


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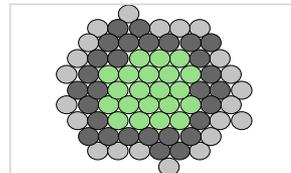
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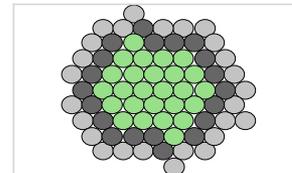
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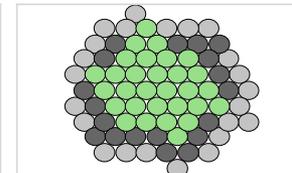
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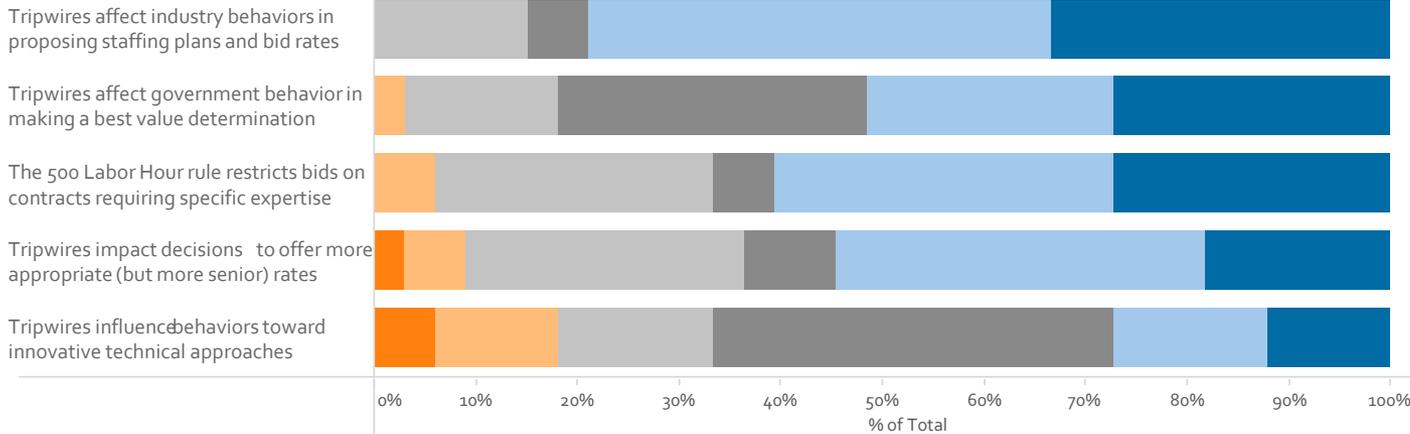
Tripwire Survey – Small Business Perspective



NDIA Tripwire Survey Results

Business Size Small

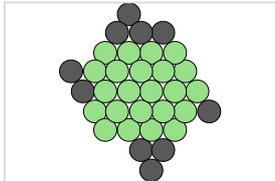
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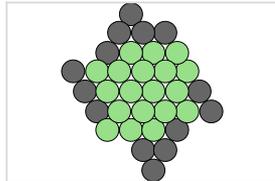
Manage Ctr	
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Business Size	
Small	33

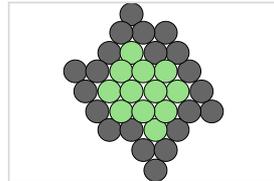
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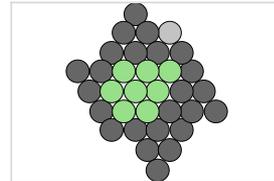
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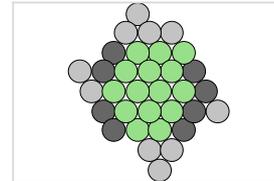
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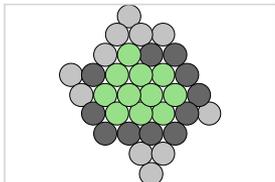
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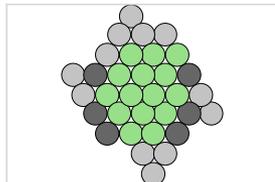
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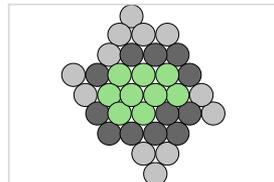
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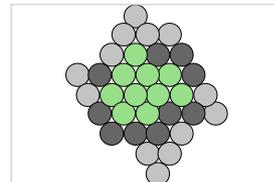
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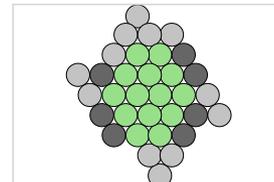
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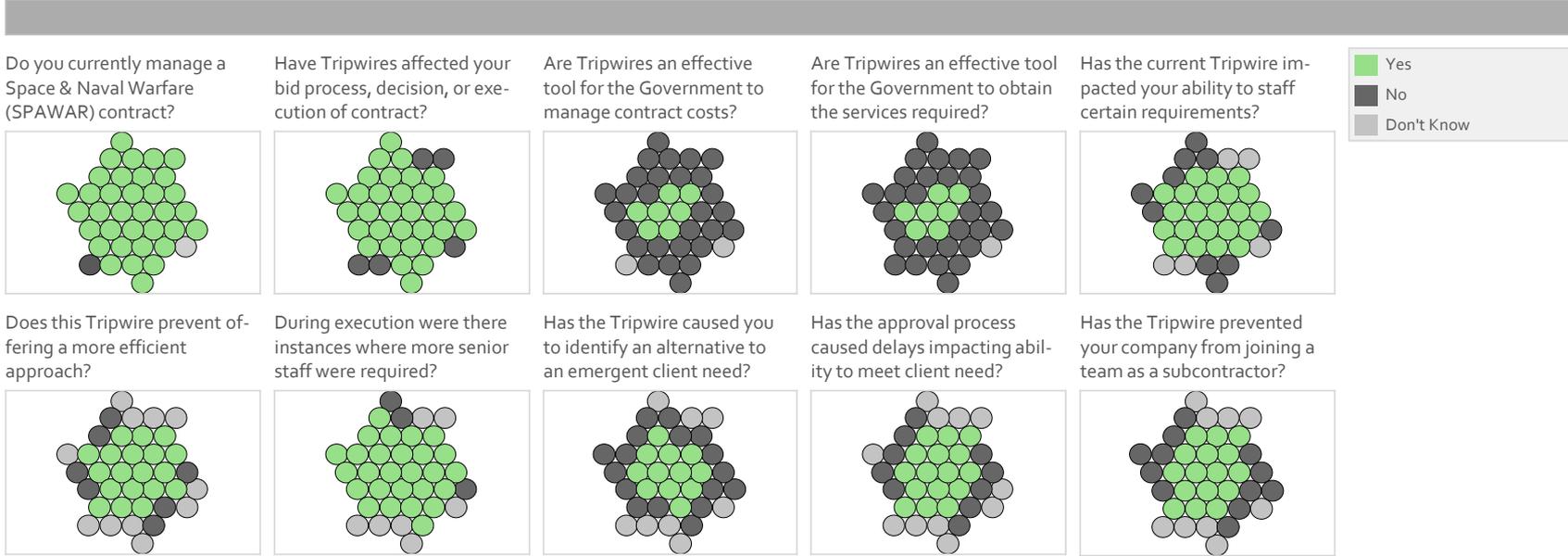
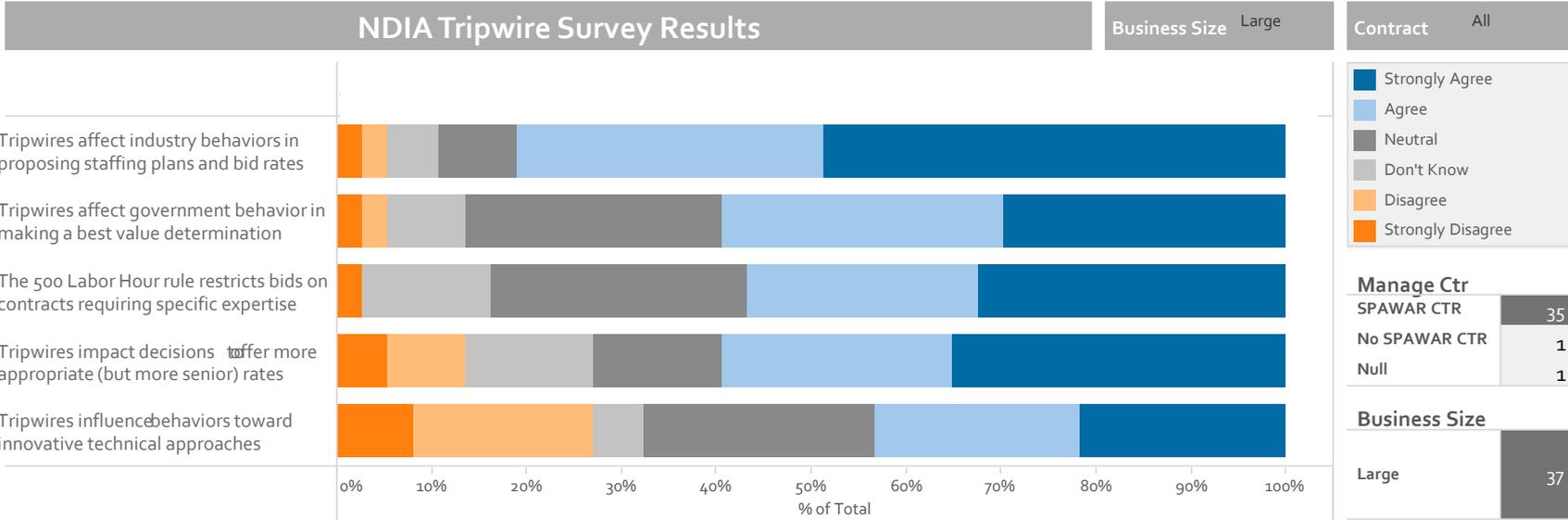
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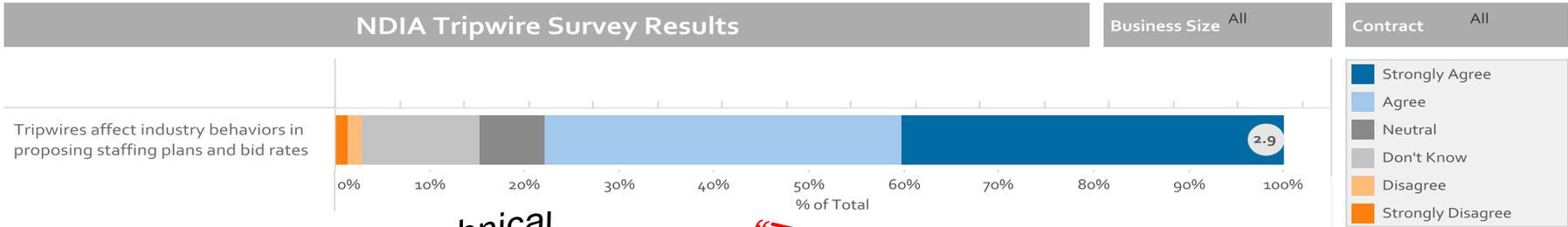
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Tripwire Survey – Large Business Perspective



Tripwire impact on Industry Behavior



“for some SME and higher technical categories, we bid lower rates than we realistically expected to pay.”

“The 10% price difference tripwire potentially makes every award LPTA.”

“SPAWAR customers often treat tripwires as “bad” and therefore will not approve anything that hits them even when it makes sense or is in their best interest.”

“We have priced less than our best people because of tripwire. The end user (warfighter) is not getting our best expertise because of this.”

“Contract tripwire resulted in customer needing to find a different contract vehicle for some specialist support”

“We don't want to negatively impact our clients, and in effect have to elevate actions out of their hands and to their bosses for decision making.”

Strongly Agree	
Agree	
Neutral	
Don't Know	
Disagree	
Strongly Disagree	

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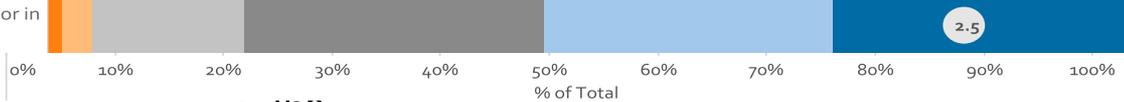


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Tripwires affect government behavior in making a best value determination



“We believe that TEB's try to disqualify the low-ball bidder while the KO's and lawyers work on technical leveling.”

“Substantive cost realism analysis is needed to insure the Government is comparing like bids. Absent this capability, offerors will restrict their bids to minimize cost and associated capability. The Government will therefore not see a best value..”

“I'd suspect the effort to write a justification for the >10% premium has an influence on the source selection team's decision and they may decide a less qualified, lower cost bidder may be an acceptable risk.”

“That better value justification better be defensible in court, because losing bidders in the competitive range with >10% lower price will challenge BCM/PNM during protest.”

“Our customers have told us it is very hard to justify a 10% difference in price and the contracts offices are likely to award to the cheaper company even if it will derail the project for a few months, all in an effort to save money, when in the long run it costs money due to project delays.”

“We perceive TEBs may or may not be able to sufficiently differentiate (grade) bids in a way that will compel them to "fight" for a HCA decision, or waiver to obtain their best value if greater than 10%. Accordingly, it is considered a significant proposal risk.”

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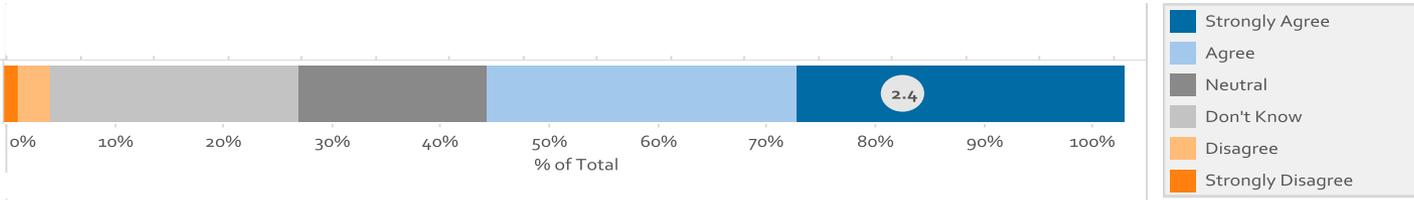


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The 500 Labor Hour rule restricts bids on contracts requiring specific expertise



“We believe our probability of win goes down as tripwires are reached.”

“How can we compete for talent that Silicon Valley is willing to pay substantially more for!?”

“While the intent is understandable, the reluctance of government staff to review and seek approvals for access to staff with specific expertise while using generic language for labor categories makes this a tough requirement. Again, net result is a loss of access to an entire tier of top industry knowledge experts.”

“500 hours for a required senior person in many cases is inadequate, but we are forced to go with 500 and use lesser qualified lab cats to assume important tasking”

“This is particularly true in the case of Cyber/IA and Senior Engineers with specialized experience and skills. We've even seen this tripwire impact us during contract execution, as well as during the bid process.”

“Represents an artificial limit to staffing against a specific requirement. ”

“It seems that the govt is trying to micro manage.”

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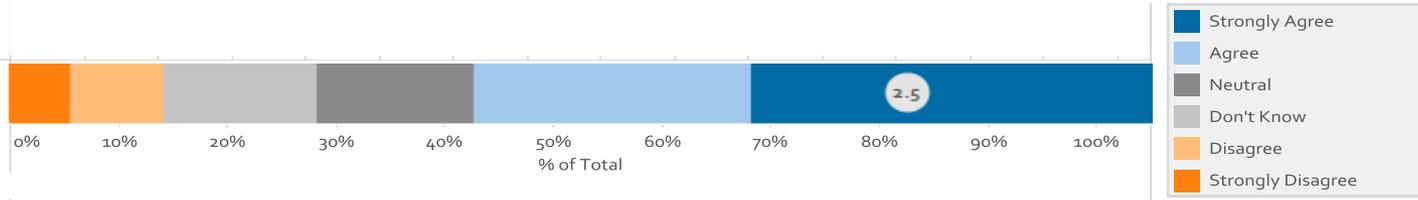


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Tripwires impact decisions to offer more appropriate (but more senior) rates



“If you can’t blend rates you go with more junior talent.”

“Depending on the project, a few expensive people might be more valuable than having several folks of marginally qualified folks, who could make more significant contributions.”

“We are incentivized to reduce cost to the government. This precludes proposing higher cost staff and drivers contractors to apply the least cost and marginally qualified staff.”

“Using junior staff with less collective experience is often more costly overall since more people are needed for the same task.”

“The restriction makes it difficult to propose the best and brightest, thus the government is losing access to an entire tier of top industry knowledge experts.”

“We compete with commercial businesses on highly technical staff...the government should recognize the handful of labor categories that require higher skilled, and paid individuals and define tripwires specific to those labor categories.”

“We don’t bid seniors and we win with that strategy so we are continuing to do it.”

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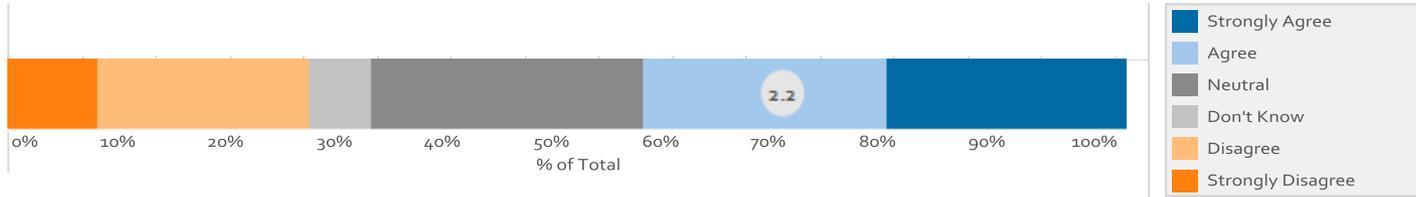


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Tripwires influence behaviors toward innovative technical approaches



“The government wants innovation but won't pay the price.”

“Bidders will still attempt to distinguish themselves from others with a technical approach, but not as much effort will be put into it knowing a 10% less bid will cause a decision to be elevated to 2.0. The contract office does not care how innovative we are.”

“We can still bid innovative solutions, but a low bid rate will reduce flexibility to implement if the customer desires in execution. It will be a tradeoff.”

“Cost constraints require creative approaches that look good on paper, but are rarely executable. Without the right talent, you get what you pay with the end result not meeting the government expectations.”

“Tripwires encourage initiatives focused on immediate cost only.”

“Creative and innovate approaches COST more or are higher RISK. Tripwires discourage either of those.”

Industry Perceptions – Benefits of Tripwire Policy

“Eliminates “personal services” activities (government and contractors arbitrarily adding additional team members without cause)”

“Serves as a “tool” to monitor contracts upon award”

“Drives overall contract costs down”

“Provides awareness to contractors that cost is the main criteria for award decisions”

Acts as a tool to hold industry accountable when tracking “proposed” vs. “actual rates”

“Provides attention and transparency at leadership levels”

Industry Perceptions – Disadvantages of Tripwire Policy

“Discourages ability to use
talented staff on projects”

“Puts emphasis on “proposed” vs. “actual” rates,
rather than overall costs to the government”

“Creates an additional
barrier to market entry for
some businesses with highly
technical personnel”

“For small businesses (and some
large), retaining higher priced staff
becomes difficult (limited opportunity
to “place staff” on other contracts”

“Creates difficulty in finding higher, skilled staff
for more complex government requirements”

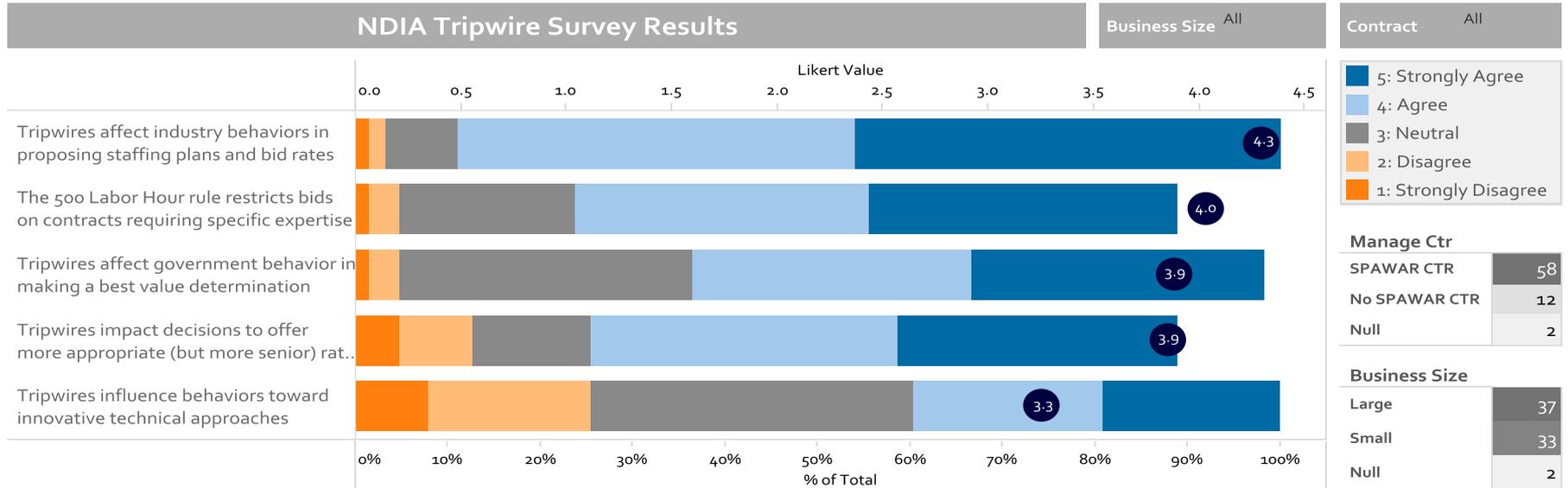
“Reduces flexibility if position
requirements change”

“Impacts ability to provide more innovation,
knowing that cost is the main driver”

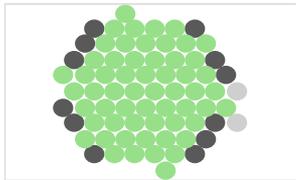
“Drives highly skilled and experienced staff out of the market”

Backup

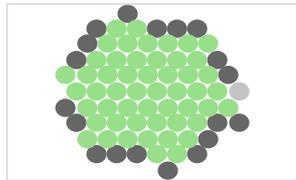
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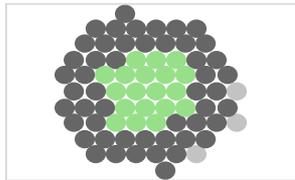
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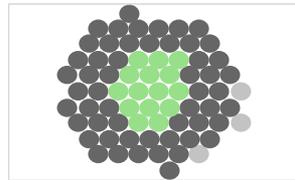
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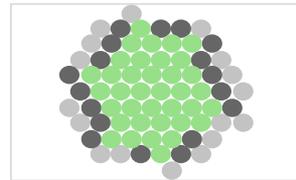
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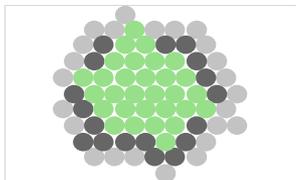


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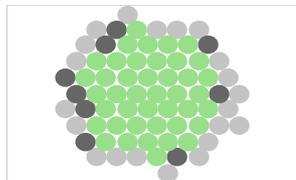


Legend:
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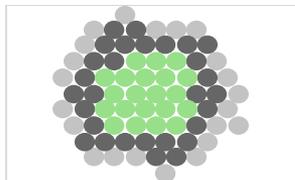
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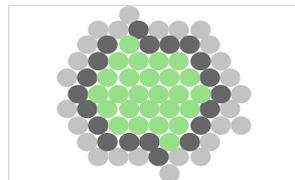
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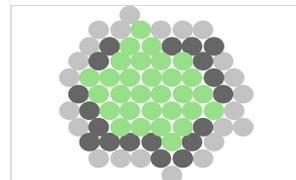
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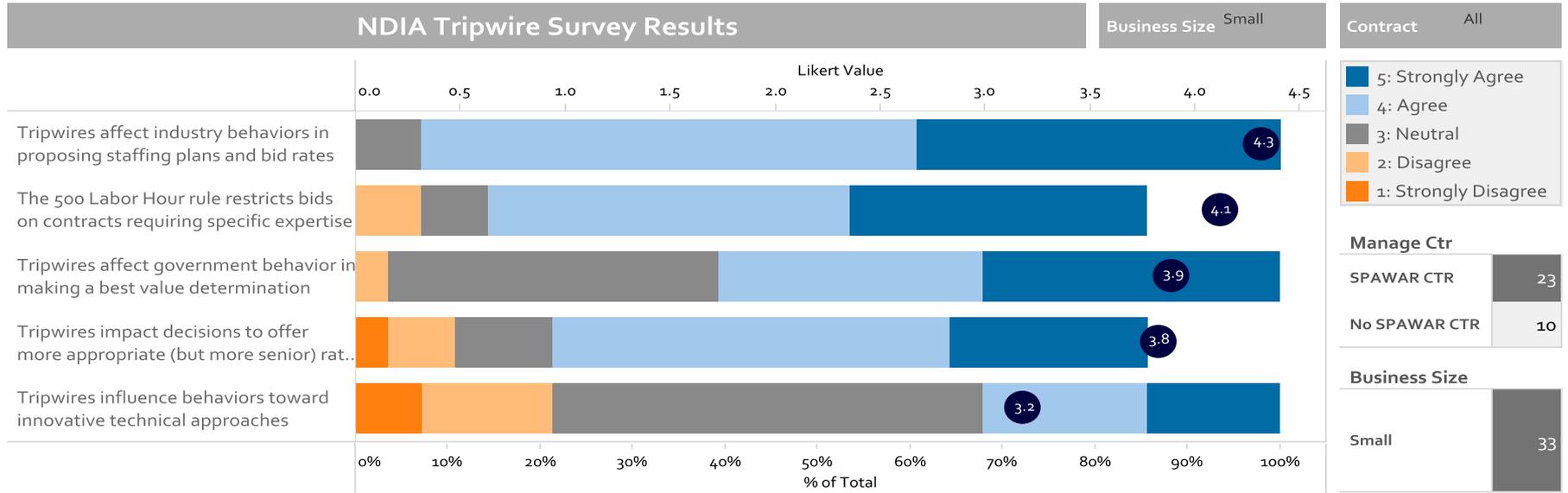
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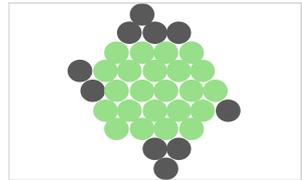
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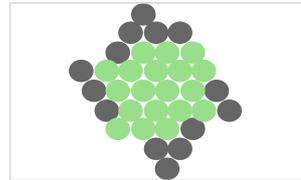
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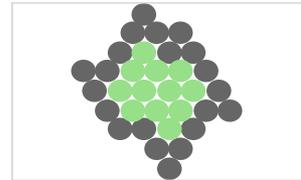
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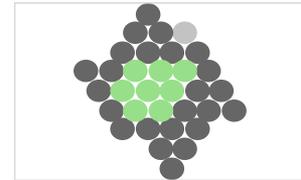
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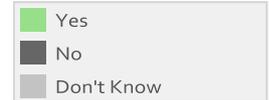
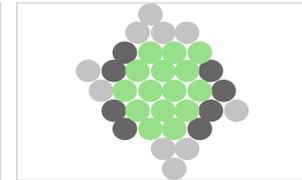
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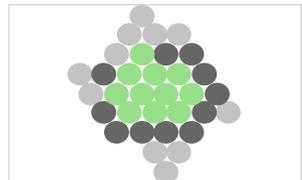
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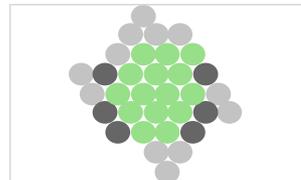
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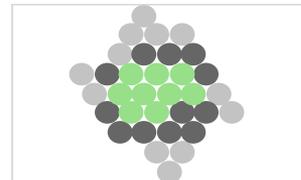
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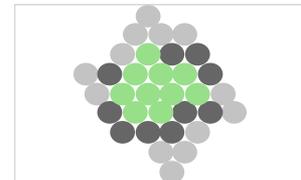
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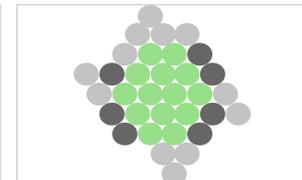
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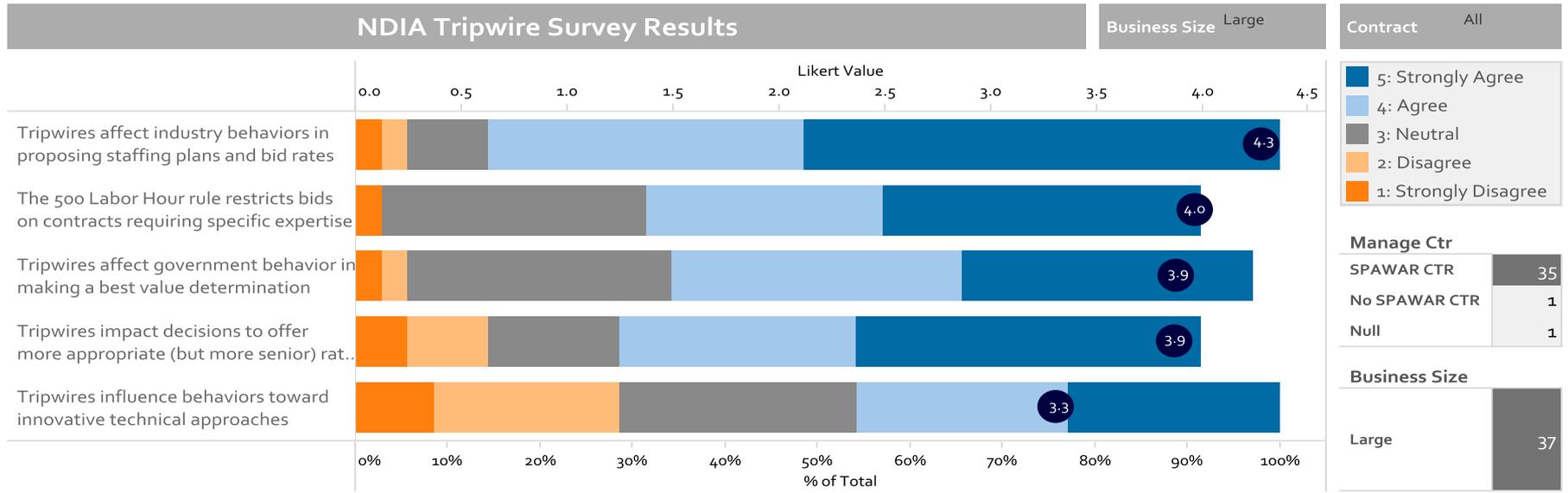
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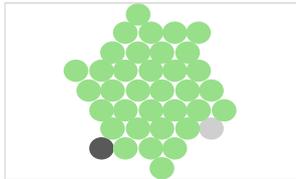
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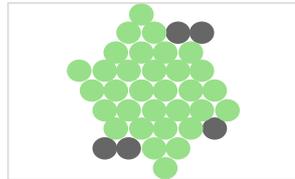
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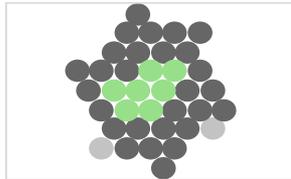
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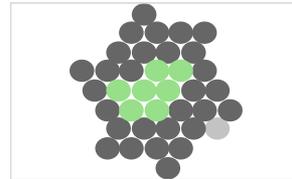
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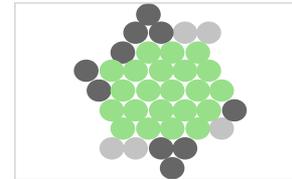
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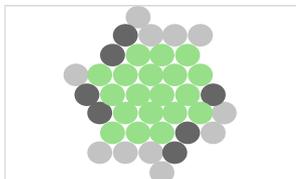


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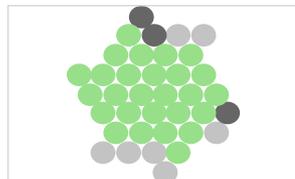


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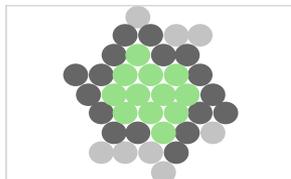
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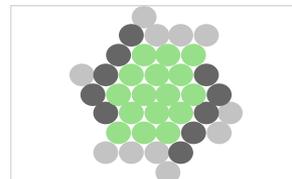
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