



BID WRITING 101 – Within this document you will learn the basics of bid writing. This is a 101 document and will only cover the basics. Each state, contract, industry, & type may vary, so studying and submitting bids is the best way to truly learn the ins and outs of bid submission.

We are excited to get you started with the next step towards achieving success in government contracting.

***Please read this document for an understanding of Government RFP/ Bid writing**

Government bid writing might seem like a daunting process. Thankfully, Select GCR is here to help guide you through this complicated process.

There are typically four main stages to be aware of and each stage requires a certain amount of time and dedication. In this guide, we will breakdown these stages into manageable chunks of information. This can help you implement an internal process to secure federal government contracts.

You've familiarized yourself with [SAM.gov](#), [USAspending.gov](#) and our Select GCR Pro Program. With these tools you've now found the perfect opportunity - now what? Looking at a solicitation can be overwhelming, so we're going to breakdown the government jargon to help you understand. There are four sections that you'll want to focus on initially.

- [Scope of Work](#) – What the Government is looking for
- [Instruction to Offerors](#) – Instructions to those preparing/submitting a proposal/bid
- [Requirements for bidders](#) – The requirements to be considered
- [Evaluation criteria](#) – How the government evaluates and chooses a proposal

Different agencies and contracting officers may use different terminology – however all solicitations will have the same 4 key sections. Once you've determined the fit, it's time for strategy. We will separate this into 2 phases: Planning the proposal and writing the Bid Proposal.

Phase I: Proposal Planning

Depending on the award amount, it is common to hire an experienced proposal writer to plan and develop the proposal on your behalf. But even if you do, proposal writing is not an aspect of your business to fully outsource to another organization; maintain your connection from planning through the submission of the proposal. Here are some key steps to follow:

1. Gather Documentation

The first step in writing your proposal is to gather documentation and information. Get organized and do your research in three areas: concept, program, and expenses. Gather all the data you need for your pitch — any important history, contact information, schedules, web site links, photos, product descriptions, and so forth. Working with Select GCR, most of this data/documentation has been organized in your Capability Statement (i.e., government resume) certifications your organization may hold (WOSB, SBA, GSA, 8(a),VOSB). Having this data collected in an organized manner will show that you and your organization is well prepared and understand the SOW of the solicitation. This initial first step will streamline the actual writing process of the RFP.

2. What You Want to Say

Approach writing your RFP/Bid with the frame of mind of WHO will be reading your proposal. Introduce yourself, your capabilities, plans, and objectives for the solicitation. Include any history of awards and recommendations from other Federal/State/Prime officers that you have worked with in the past. Be as concise and specific as possible while putting together your presentation; showing your understanding of the SOW, variable complicating factors, and the solutions you offer that other competing bid cannot. This is where you show the Contract Officer assigning the award why they should choose you.

3. Concept

Look for government solicitations and contract opportunities that align with the services and/or products your company offers. Focus on the mission of your business and clearly articulate how your proposal and your business fits into the needs of the solicitation SOW. Contract Officers need to be able to clearly understand that your proposal reinforces the overall objective of the solicitation. This is where you convince them that your business is consistent, capable, and that you meet the needs of the project in its entire capacity.

4. Program Statement

Know the Solicitation's objectives. If no objectives are stated, create a program statement based on your understanding of the solicitation. A program statement creates the framework for the direction you want your proposal to take. This will help guide you and your business regarding the nature of the project, how/where the work will be conducted, staffing for the project, the lead time for the project, anticipated outcomes and metrics to evaluate the results

5. Pricing your Bid (Expenses)

You will not be able to develop the expenses associated with the project until the program details and timing have been worked out. The award amount/expense associated with the solicitations will be finalized after the bid has been submitted. However, at this stage getting a broad outline of the budget for the project that align with the outcomes expected and anticipated is an important step. Having this estimate will help gauge and adjust the plans to fit the scope of the solicitation while writing your Bid proposal.

5.1 Is it Worth Bidding?

There are tons of Government contracts out there, before deciding to respond to a request for proposal (RFP) ask yourself, “Is this RFP worth bidding? Does it make sense for my company?” Spending time and money finding government work and submitting a proposal to find out that your companies’ capabilities and budgets don’t match with the Government agencies can be disheartening. That’s why prior to writing a bid, gathering the applicable research is crucial. The [Federal Procurement Data System](#), [Sam.gov](#), and [USA Spending.gov](#) are great places to start the research process.

To help you piece together an educated guess at an agency’s cost target for the project, consider:

- Become aware and knowledgeable of publications, current events, and news that is relevant to your company’s industry. Staying on top of your industry will make identifying opportunities that align with your company’s capabilities and scope of work.
- Dedicate time to attend industry relevant events. Along with great networking opportunities, this can also give you an inside look on what a government agency’s needs and wants are; and what they deem as important for their current priorities. [The National Defense Industrial Association](#), [The U.S General services administration](#), and [Aerospace industries association](#) (along with many other Government agencies) regularly sponsor events and provide valuable current information on many government agencies.
- Look for companies with similar capabilities that are receiving awards. Evaluating comparable awards can help you gauge the expectations and pricing strategies that agencies/contract officers look for when awarding contracts.
- It is mandatory that each government agency follows a strict and disciplined budget process for their government portfolio. Including maintaining their current assets, as well as acquiring new assets. Utilize [USA Spending.gov](#) to review the government agency’s data for their annual budget. Determine where and how much they allocate to contracts and which sectors are currently being prioritized.

5.2 Know what it should cost

Pricing on a Government RFP is a two-way street. While you analyze research data to help you find the appropriate allocation of funds for the RFP you received, the government is doing a similar but more precise process prior to sending out the RFPs.

NOTE: The Cost Target the government agency determined for an RFP doesn't necessarily align with the Contract Award amount. Government agencies incorporate many variables during the process of creating the annual budget to improve its accuracy, such as estimating techniques and risk management analysis. This data helps them evaluate whether Submitted Bids for contracts have cost estimates that are realistic and accurate to their research.

To help you evaluate what the agency is thinking, consider:

- Thoroughly read through the Scope of work (SOW) and work breakdown structure (WBS). Identify and organize the progression and sequence of the work, as well as all the likely tasks. While reviewing the SOW and WBS, determine high risk tasks, if any, and areas with unclear information or a lack of information to interpret the task. As you are building your cost estimate for the project, be sure to include documentation of the high risk and unclear areas/tasks, as well as your documentations that back the basis of your cost estimate. Contract Officers and agencies need to be able to visualize how and where you arrived at your numbers.
- Identify what personnel resources are needed to accomplish the scope of work. Do you have enough of in-house staff with the appropriate expertise to complete the project, or do you need to outsource staff? Analyze your current outside resource relationships, and whether you have the reliable resources readily available, or if you will have to look elsewhere. Determine where, if any, there is risk when it comes to such outside resources. How you calculate your Project Cost Estimate can vary due to these factors.
- BACK YOUR COST ESTIMATE WITH DATA. Data driven cost estimates are essential to providing a substantiating basis that reflects the assumptions in your estimate to the contract officers/agencies. This makes it easier for Government agencies to review and verify that your cost estimate is realistic and comparable to what they are looking for when awarding the contract.

5.3 Comparable winning contracts

Sift through [USA Spending.gov](#) and [SAM.gov](#) for previous contracts awarded to Companies comparable to yours. Look for patterns in the metric of which contract officers award contract. How often do they choose price over the quality of a bid and vice versa?

Depending on the agency/contract officer awarding the contract, the criteria they look at may vary. Some focus on which Bid clearly outlines the most effective solution even with a higher price, whereas other agencies will often choose the bid that has the lowest price technically acceptable (LPTA).

Like every industry the government has trends to look for, examine the different procurement methods and preferences, such as having firm fixed prices and methods to expedite getting products into the hands of personnel quickly. Being aware and current on award patterns can help eliminate the risk of you either outbidding or underbidding (selling yourself short). These are key to keeping a good bidding reputation with contract officers, but also to make sure you are setting your company up with the best profit margins you can.

5.4 Where to cut costs to raise profit margins

Take a hard look at your indirect costs (costs not directly related to labor, fees, and fringe rates) and look at ways to cut back on these expenses. For most companies these come from the overhead, general and administrative costs related to operating a business. It's likely that you will be able to find some low indirect costs to cut to better help your proposal budget.

Here are some common expenses worth reviewing:

- Computing services. Companies can often find margins by converting hardware and software services to a 'cloud'. Cloud computing not only improves security, but also offers more advanced and simplified method of data storage and computing power, without the need for direct active management by an employee and/or outside company. More importantly, using a cloud will significantly reduce the in-house cost.
- Evaluate what office supplies/equipment are essential to your company's operation. Discontinue those that are no longer required/necessary.

5.5 Out Smart and Understand your competition

We know that all government contracts and awards are public information. So, use this to your advantage. The [U.S General Services Administration](#) and [USA Spending.gov](#) are two of many resources that you can utilize to find the Rate Schedules for different labor categories and rates in your area. Take into consideration the burdened labor rates, the direct labor rates, what the average pay per hour is, any stipulations put into the solicitation/RFP regarding labor rates, as well as the total value of the contract. Apply this market research along with the financial information available on comparable contracts to gauge your competitor's bidding strategies and rates.

Phase II: Writing your Government Bid Proposal

Now that you have prepared all necessary information/documentation it's time to write your proposal!

How to Write a Government Proposal Step-by-Step:

Depending on who is writing your bid you may be using an electronic system via the agency you are submitted a bid for. In other cases, you are building and writing your bid on your own. Most RFP templates include similar categories of information, but some of these might change depending on the goals of a project or the needs of your company.

A well-drafted RFP should include:

- Background information
- Detailed description of the project
- Specific requirements about preferred systems, tools, materials, or products
- Project deadline along with explicit dates and milestones
- Any questions you would like the potential vendors to answer or materials to submit
- Evaluation criteria
- Possible roadblocks

It will help you to know how the typical federal government RFP is broken down into the following sections:

(Understanding each section prior to preparing your first RFP response will certainly save you time.)

- Section 1. **Information to Offerors or Quoters**
- Section 2. **Supplies or Services and Price/Costs**
- Section 3. **Statement of Work (SOW)**
- Section 4. **Packages and Marking**
- Section 5. **Inspection and Acceptance**
- Section 6. **Deliveries or Performance**
- Section 7. **Contract Administrative Data**
- Section 8. **Agency personnel**
- Section 9. **Method of Payment**
- Section 10. **Compensation Ceiling**
- Section 11. **Contents of Invoice**

Section 1. Information to Offerors or Quoters

This section identifies the title of the procurement, procurement number, point of agency contact (POC), how to acknowledge amendments, and how to indicate “No Response” if you decide not to bid. This section often appears as a one-page form, such as [Standard Form 33](#) (SF 33) or [Standard Form 1449](#) (SF 1449) for simplified acquisition procedures. Once the bidder and the Contracting Officer sign the appropriate form, the contract becomes binding.

Section 2. Supplies or Services and Price/Costs

During this section of the RFP/Bid, you will provide pricing information for your bid. It will define the type of contract, the Line items designated to the Contract, line items designated to the subcontract, and all billable items. Outline the costs and pricing guidelines, the period of performance, and any assumptions of the project. (Be sure you document your assumptions in your RFP response) In some cases, you will also include the number of hours needed per year, per person, as well as the resources needed. The primary focus of addressing your total hours, is to ensure that the proposed hourly rates will be valid regardless of the hours worked.

Section 3. Statement of Work (SOW)

The Statement of Work (SOW) describes what the government agency’s expectations are for the bidder whether an action to do, or supply. This is where most of your response will be in your proposal. Listing every service, supply, and item required on the SOW, and how you will approach delivering on the listed each. There is no such thing as being too redundant when address the SOW. Take this opportunity to insert your business name and reinforce to the contract officer that you are capable and reliable to provide the service requested. In layman’s terms, explain to the Contract Officer that you have read the SOW in the solicitation, and outline individually, how your business will address and complete each task.

Section 4. Packages and Marking

Section 4 defines how all deliverables in the contract, such as reports, and materials will expect to be shipped/delivered to the government agency. Each government agency has different packing and marking requirements. Be sure to have a clear understanding of such requirements. They will have specific instructions pertaining to location, timing, and delivery details for the product or services covered in the SOW. Depending on the deliverables, the requirements may influence your costs and logistical planning. Costs such as packaging/crating, shipping/delivering, set-up, break down and clean up. These are variable costs often impacted by specific agency instruction. Be sure to factor this into the cost breakdown in Phase I.

Section 5 (Pricing your bid) Pay attention to and follow all instructions in the RFP for required markings. “Markings” are the information provided on the packing list or shipping document and generally include:

- Contract/Solicitation number.
- Task order number.
- Name and address of the consignor.
- Name and address of the consignee.
- Government bill of lading number covering the shipment (if any); and
- Description of the item/material shipped, including item number, quantity, number of containers, and package number (if any).

Section 5. Inspection and Acceptance

This section identifies the task that you must be prepared to undertake. This will also describe the process by which the government accepts deliverables and what will happen if the work is not accepted. Typically, an oversight manager can and will inspect and test the product/services at random intervals throughout the term of the award. The government reserves (in most cases) 10 business days from the date of your delivery to decide if goods/services meet the requirements set out in the contract. If the oversight manager inspects said goods/services and determine they don't comply with the requirements, they can require you to re-perform the services and/or redeliver the product in conformity with the contract. In these circumstances, there is no additional increase in award amount. Hence, following the specific requirements set in the contract (Section 4) is crucial. If the issue is not corrected when you re-perform the services, the government will take measures to ensure you immediately take all necessary steps to conform to the contract requirements in your performance going forward; and can reduce the award amount to reflect the reduced value of the services. In extreme cases, the government can and will replace you as the contractor and can charge all associated cost to you.

Section 6. Deliveries or Performance

As we have learned, the government is very specific and meeting requirements are critical. Section 6 explains how the contract officer will control and regulate the work performed and how you deliver certain contract items. This section:

- Defines the terms of the contract and any option to extend such terms.
- Contract clauses referencing to the Place of Performance/Place of Delivery. This often is the agency's physical location of work but may include clauses pertaining to work performed at the contractor's location.
- Defines and highlights deliverables in the contract that the agency has determined a set time period for.
- Specifies the Period of Performance for each phase of the contract.

- Indicates the process for contracts in the circumstance of difficulty in complying with the contract delivery schedule, completion date, and/or meeting the performance requirements
- Illustrates the details that should be included in the contract status or activity reports, including all applicable due dates for each report. Depending on the contract this may include subcontracting and/or small business plan reports.

Most contracts stipulate a requirement to maintain an inspection system for the product/services that is acceptable per the clauses of the contract. Records of inspections are expected to be completed and available to the agency in the interim of the contract term or unless otherwise specified by the agency.

Section 7. Contract Administrative Data

This section is the WHO, describing how both you and the contract officer is expected to communicate regarding both performance and payment. This will typically include other clauses by reference, with the requirement to perform services/provide goods according to said terms and conditions outlined in Sections 8-11.

Section 8. Agency personnel

- Contract Officers. Contract Officers have the exclusive authority to start, administer, and terminate contracts. They:
 - Confirm and maintain the efficiency and effectiveness of contracting
 - Establish compliance with terms of contracts
 - Represent and protect the agency in its contractual relationships, and
 - Hold and can exercise sound business judgement on behalf and based on the entirety of the agency's interests
- Oversight Managers. Oversight managers have daily interaction with contractors. They:
 - Manage the technical performance requirements of the contract,
 - Make certain that all deliverables/services performed by the contractor align with the delivery schedule set forth in the contract, and
 - Monitor the funds spent in the contract in relation to the allocated amount

Section 9. Method of Payment

The Government requires that most payments be made by electronic funds transfers. Most Government agencies have moved to making award payments via Sam.gov

Section 10. Compensation Ceiling

All Government contracts typically include a contract ceiling or a not-to-exceed amount. This ceiling dictates the amount, in which if gone over by the contractor, will not be compensated for. In the interim of the contract period, you may have option periods where the contract may either be funded for another defined term or extended. In the circumstance you have incurred

cost amounting to 75% of the contract ceiling amount for the performance period, you MUST notify the contract officer in writing.

Section 11. Contents of Invoice

Your invoices must include the following items to be processed for payment:

- Contractor name, address, and phone number.
- Invoice date
- Invoice Number.
- Contract Number (e.g., Contract Number, Task Order Number, Delivery Order Number, etc.).
- Line-Item Number(s), as identified in the contract and the amount invoiced for each Line-Item Number.
- Allocation of all hours and expenses
- Description, quantity, unit of measure, unit price, and extended price of goods delivered, or services performed.
- Total invoice amount
- Payment terms (including any discounts for prompt payment terms).
- Remittance address.
- Billing Point of Contact: title, phone number, and mailing address of person to notify about questions regarding the invoice.
- Shipping information (e.g., shipment number, date of shipment, bill of lading number, and weight of shipment).
- Shipping charges, if any, shown as a separate item on the invoice.
- A statement signed by an authorized business representative that states: "This is to certify that the services set forth herein [goods described herein] were performed [delivered] during the period stated."
 - If travel expenses are reimbursable under the award, submit travel documentation, receipts, and other proof of expenses as required by the Federal Contractor Travel Reimbursement Guidelines.
- Time sheets (include copies) for time and material or labor hour awards of in support of direct labor charges.
- If subcontractor expenses are reimbursable under a labor-hour or time-and-material award, you must:
 - Identify subcontractor expenses and costs separate from prime contractor expenses and costs on the invoice the prime contractor submits to the federal government.
 - Submit with your invoice, as supporting documentation, a copy of your subcontractor's invoice when seeking reimbursement of subcontractor expenses.
- Any other information or supporting documentation required by the award.