Workforce 3.0

Attachment 2: Lot 1 Gate Element Criteria

Solicitation Number: HT003821R0001

Program Executive Office, Healthcare Management Systems (PEO DHMS)

**Workforce 3.0 (WF3) Factor 1: Gate Element Criteria**

*Offeror Team to complete all forms and submit in accordance with instructions provided in 52.212-1, INSTRUCTIONS TO OFFERORS, of the SF1449.*

The WF3 Gate Elements evaluate minimal essential criteria that differentiate WF3 from more typical Defense acquisitions that may jeopardize the success of digital transformations. Potential Offerors shall use these criteria to pursue teaming with complementary industry partners that possess the requisite experience for delivering a holistic digital transformation. The government will evaluate all Gate element criteria as Acceptable or Unacceptable. Passing the Gate is equivalent to passing the thresholds for all associated Gate elements.

Offerors shall attach “supporting evidence” to the Gate Element submission. Supporting evidence includes engagement letters, press releases, financial documentation, and other artifacts demonstrating that the referenced experience meets the capability requirements. Offerors should only provide the portion of the artifact relevant to the respective capability. Accordingly, the Government encourages Offerors to re-use existing documentation to prepare this submission, instead of creating new documents, to the extent practicable.

The Government does not allow (and will not consider) “Other” metrics submitted by Offerors (i.e., metrics other than those described in the Evaluation Criteria section of this solicitation applicable to the Factor 1 Subfactors) due to the subjective nature of such metrics. As the Gate criteria will be graded as Acceptable/Unacceptable, only clearly-defined, consistent objective metrics are suitable. However, the Government will accept derived calculations (i.e., alternative measurements that serve as a clear-and-direct analog to the required metric with reasonable conversions) to demonstrate fulfillment of the stated metric thresholds given sufficient evidentiary data.

**Lot 1, Subfactor 1.1: Disruptive Outcomes**

This Gate element verifies the Offeror’s expertise at defining, driving, and measuring value throughout a transformation initiative. The Prime shall demonstrate experience in achieving significant performance improvements for client operations by successfully achieving a digital transformation. The referenced transformations must have been implemented in support of a technology-enabled organization, must have resulted in enduring value for a sustained period of time, and must have occurred within five (5) years prior to RFP release. For the purposes of the Offeror response on Subfactor 1.1, “technology-enabled organization” refers to a standalone company or clearly-identified business unit of a larger enterprise that achieves its core capabilities or competitive advantages through the use of technology and/or digital products. The referenced transformation must have occurred in support of a client as part of a professional services engagement (i.e., not referencing an internal transformation that occurred within the Offeror organization).

**Team member and/or sub-contractor experience WILL NOT BE accepted for this Gate.** If an Offeror is proposing under FAR 9.601(2), the Government would treat this as a prime/subcontractor relationship and award to the contractor identified as the Prime, in which case only the Prime’s experience would be accepted. If an Offeror is proposing under FAR 9.601(1), where there is a joint venture or partnership, and the SF-1449 and resulting contract reflects the combined entity as the Prime, the combined entity's experience will be accepted as the Prime.

For an Acceptable proposal, the Prime Offeror shall provide details for an engagement that:

1. Transformed a technology enterprise/organization within a parent organization operating on an annual budget or revenue of >$200M at the start of the engagement effort,
2. Occurred as part of a services engagement lasting >12 months,
3. Achieved >20% annual enhancement over baseline figures for three of the listed measures associated with the client organization and their products/services

The Offeror shall also provide a redacted, signed portion of the engagement contract providing evidence of the Offeror’s participation and completion in the effort. The Offeror may provide simplified, redacted, or public financial artifacts and/or references demonstrating the client’s budget or revenue measurements.

**Disruptive Outcomes Experience Reference Table**

|  |  |  |
| --- | --- | --- |
| Client Organization Name |  | |
| Technology/digital (Sub-)Division Name  (if applicable) |  | |
| Service Contract Reference ID or # |  | |
| Contracting Role | ☐ Prime  ☐ Sub | |
| Transformed Organization Webpage URL |  | |
| Size (budget or revenue) of the client technology enterprise and/or organization | ☐ < $200M  ☐ ≥ $200M (Pass) | |
| Duration of Service Engagement | ☐ < 12 Months  ☐ ≥ 12 Months (Pass) | |
| Summary of the problem statement and solution leading to digital transformation or market disruption: (200 Word Limit) | | |
|  | | |
| Please select **three** measures associated with the client organization and their products/services with at least a 20% annual enhancement over baseline values: | | ☐ Process Quality  ☐ Automation Time Benefit  ☐ Employee Satisfaction  ☐ Employee Retention Rate  ☐ Process Throughput  ☐ Process Lead Time  ☐ Return on Investment  ☐ Market share (% of revenue)  ☐ Net Promoter Score  ☐ Customer Retention Rate  ☐ Lifetime Value of Customer |
| Describe how the referenced engagement achieved this measure and how the measure was calculated (500 Word Limit) | | |
|  | | |

**Lot 1, Subfactor 1.2: Product Prowess**

This Gate element verifies the Offeror’s expertise at supporting novel product design and development initiatives. The Offeror shall demonstrate experience in successful go-to-market efforts for “*significant new technology product*,” defined as a product effort that differs significantly in characteristics or intended use from previously produced products. *Significant new technology products* will create a new revenue stream that leads to increased profitability within a planned time frame and maintain individual and attributable Profit & Loss measurements. This is in contrast to a new *feature* that aims only to create a greater market share for the company’s existing product line. The referenced product must have been supported by a client services engagement (i.e., not referencing an internal product development effort that occurred within the Offeror organization). Alternatively, the Offeror may demonstrate experience in successful incubation of significant new technology product internal to the customer’s operations that resulted in cost savings or Internal Rate of Return (IRR) for the customer organization. Team member and/or sub-contractor experience **will** be accepted for this Gate.

For an Acceptable proposal, the Offeror shall provide details for an engagement supporting a product that:

1. Achieved Time-to-Market/Time-to-Customer (i.e., general availability of the product in the open market or to internal customer employees) within 24 months of product inception and/or kickoff of product development efforts
2. Achieved product Break-Even-Point (i.e., resultant product gross revenue is equal to total expenditures invested into the product thus achieving a net profit of $0) or Internal Cost Recovery (i.e., realized cost savings equal to initial investment) within 36 months
3. Achieved a Return-on-Investment (i.e., net profit or realized cost savings aligned to the product-specific business line as percentage of total expenditures) of at least 10% at any point of the product lifecycle
4. A Compound Annual Growth Rate (i.e., CAGR aligned to the product-specific business line) or Internal Rate of Return (i.e., return on investment for internal product development) of 20% as measured across any specific (not to exceed) 3-year period of the product lifecycle

The Offeror shall provide a redacted, signed portion of the engagement contract providing evidence of the Offeror’s participation and completion in the effort. The Offeror may also provide redacted and/or simplified financial artifacts substantiating the product measurements.

**Product Prowess Experience Reference Table**

|  |  |
| --- | --- |
| WF3 Prime or Team Member with Experience |  |
| Product Name |  |
| Name of sponsor/parent company for product |  |
| Sponsor/parent company OR product webpage URL |  |
| Contract Reference # |  |
| Initial Product Investment Date (within 8 years) |  |
| Product Time-to-Market/Time-to-Customer (measured as duration between product kickoff/inception to general availability in the open market or to internal customer employees) | ☐ < 24 Months (Pass)  ☐ ≥ 24 Months |
| Product Break-Even-Point (measured as resultant product gross revenue is equal to total expenditures invested into the product thus achieving a net profit of $0) or Internal Cost Recovery (i.e., realized cost savings equal to initial investment) | ☐ < 36 Months (Pass)  ☐ ≥ 36 Months |
| Product Return-on-Investment (net profit or realized cost savings measured at any point of the product lifecycle) | ☐ < 10%  ☐ ≥ 10% (Pass) |
| Compound Annual Growth Rate (aligned to the product-specific business line) or Internal Rate of Return (aligned to internal product development) across any 3-year period during the product lifecycle | ☐ < 20%  ☐ ≥ 20% (Pass) |
| Briefly describe the new product. If appropriate, clarify how the new product is **differentiated** within the company’s existing product lines. (100 Word Limit) | |
|  | |

**Lot 1, Subfactor 1.3: Talent Management**

Successful and enduring (defined as long-term, transformative changes with positive lasting impact) Digital Transformation is incredibly difficult to achieve and relies on highly-qualified human capital to execute. This Gate element verifies the Offeror capability to recruit, retain, reward, and rapidly deploy qualified personnel as to not cause disruption during the transformation process. The Offeror shall demonstrate its experience and capabilities in successful talent management metrics. The Prime shall use its own (i.e., not sub-contractor and/or client) metrics and measurements in completing this form.

**Team member and/or sub-contractor experience WILL NOT BE accepted for this Gate.** If an Offeror is proposing under FAR 9.601(2), the Government would treat this as a prime/subcontractor relationship and award to the contractor identified as the Prime, in which case only the Prime’s experience would be accepted. If an Offeror is proposing under FAR 9.601(1), where there is a joint venture or partnership, and the SF-1449 and resulting contract reflects the combined entity as the Prime, the combined entity's experience will be accepted as the Prime.

Due to the market impacts of COVID-19 on the stability of long-term metrics, Offerors may leverage data for any 2-year period dating back to a starting date of January 1, 2018.

The Government will evaluate whether the Prime provided details that a Prime contractor operating entity:

1. Achieved at least 65% retention rate (i.e., total number of employees remaining at the end of the period ÷ total number of employees that worked during the period) for the past 2-year time period
2. Aligned at least 9% of **total employee compensation** (i.e., inclusive of profit sharing, stock options, fringe benefits, etc. converted into financial equivalents) with performance-based factors (i.e., total performance-based employee compensation ÷ total employee compensation) for the past 2-year time period
3. Promoted (e.g., clearly-defined career advancement in alignment with standard firm structures OR adjustments in title that align in timing with advancements in responsibility) at least 14% of employees annually (i.e., total promotion count ÷ total employee count) OR issued at least 7% Year-over-Year **total employee compensation** increase (i.e., average total employee compensation increase ÷ average employee compensation) for the past 2-year period
4. Achieved time-to-fill for talent gaps (i.e., net-new or existing job openings for client service engagements) on client engagements within an average of 25 calendar days across all service engagements supported within the past 2-year period
5. Achieved no more than 5% of the Prime’s gross revenue from engagements supporting Military Health System (MHS), Defense Health Agency (DHA, and military service branch health organizations within the past 2-year period.

The Government expects that Offerors will have readily-accessible Human Resources records that demonstrate the desired attributes. Please consult and incorporate those records to respond to the following queries. Additionally, please provide a latest simplified financial statement indicating total gross revenue and gross revenue from MHS, DHA, and military service branch health organization engagements.

**Team Talent Management Reference Table**

|  |  |
| --- | --- |
| Retention Rate (past 2-year period) | ☐ < 65%  ☐ ≥ 65% (Pass) |
| Percent of total employee compensation issued as performance-based compensation (calculated by net dollar value, past 2-year period) | ☐ < 9%  ☐ ≥ 9% (Pass) |
| Select One:  ☐ Annual employee promotion rate OR  ☐ Year-over-Year employee compensation increase  (past 2-year period) | ☐ < 7%  ☐ < 14% and ≥ 7 (Pass for compensation increase)  ☐ ≥ 14% (Pass) |
| Average time to fill talent gaps for client engagements (past 2-year period) | ☐ ≤ 25 Days (Pass)  ☐ > 25 Days |
| Percent of company gross revenue achieved from MHS, DHA, and military service branch health organization engagements (past 2-year period) | ☐ ≤ 5% (Pass)  ☐ > 5% |