

Grow with Discipline

Small Federal Contractors Win When Their Proposals Prove They Can Retire Agency Risk

A capture-level view for small businesses, grounded in GAO and SBA data, federal acquisition policy and independent industry research.

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**The agency buys risk avoidance,
and the evaluator scores whether
you can deliver it.**

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Executive Summary

Small businesses win federal contracts when they demonstrate the competence and capacity to retire an agency's known risks and avoid the ones that emerge in a dynamic environment, and the proposal is where they demonstrate it. Agencies do not issue requirements because they want labor hours; they issue them because a gap in expertise, capacity, reach or continuity puts the mission at risk. Whatever services a solicitation names, the Government is buying down risk.

AI is helping small firms write more polished, compliant proposals, but polished is not the same as better. When every proposal reads well, evaluators look past the prose to a harder question: how confident they are that this team will deliver without failing the mission or burdening the Government. The proposals that answer that question, and score highest, are grounded in risk intelligence: a precise understanding of what the agency stands to lose, and a solution architected both to retire the risks it knows and to change the conditions that would let new ones take hold. Those proposals present the firm as the agency's risk partner, not its labor supplier.

That grounding is a discipline. It begins at the first public signal of a requirement, not at its release. It builds an agency risk profile that becomes the specification for the solution. And it prepares the team for oral presentations, where it can answer from knowledge rather than script.

The agency buys risk avoidance, and the evaluator scores whether you can deliver it.

WHAT THIS PAPER OFFERS

- A working vocabulary for risk intelligence (Section IV)
- Six lenses for building an agency risk profile (Section V)
- Seven steps any capture lead can put to work today (Section VI)

I. The Government's View: What Agencies Buy

Agencies do not buy services; they buy down risk. If an agency faced no risk, there would be no solicitation. A requirement exists because the agency has a gap it cannot close alone, and that gap threatens its ability to serve the mission by putting its money, capacity, compliance or credibility with Congress and the public at risk. Some of those risks are known and documented. Others emerge during performance, as budgets, rules, staffing, leadership and priorities shift. The agency needs a partner whose solution is designed to help it retire the first and avoid the second. Industry is invited in not merely to supply labor, but to serve as that risk partner.

The Government names many of these risks in public. GAO's 2025 High-Risk List identifies 38 areas "seriously vulnerable to waste, fraud, abuse, and mismanagement or that are in need of transformation."¹ Each Inspector General must report annually on the most serious management and performance challenges facing its agency.² Budget justifications, workforce surveys and committee reports supply the rest. A capture team that reads these sources before the RFP knows the program office's greatest pressure points.

Evaluation is, at bottom, a judgment about risk. OFPP's 2019 guidance encourages source selection panels to assess "their level of confidence that an offeror can perform the work" and to weigh past performance information from any reliable source.³ Recent practitioner commentary in Federal News Network describes how that judgment works when every proposal is good: evaluators are predicting delivery risk, the oversight burden a team will place on the Government, and whether its judgment will hold when conditions change.⁴ Those are three questions about risk, and a list of labor categories and hours answers none of them.

This is where the conventional response falls short. Most proposals still describe capacity: labor categories and hours, resumes, a management plan and a transition schedule. A capacity response tells the evaluator the work can be staffed; a solution built to retire named risks earns confidence.

A staffing matrix tells the evaluator who will do the work; a risk-avoidance solution tells the evaluator why the work will not fail.

II. A More Crowded Small Business Field

The federal market is not short of money for small businesses; it is short of room. Agencies awarded 27.58% of eligible prime contract dollars to small businesses in fiscal year 2025, or \$179 billion, well above the 23% statutory goal.⁵ The question is not whether the dollars exist, but who is positioned to win them.

Those dollars, however, are flowing to fewer winners. Under the category management initiative, small businesses received 30% or more of obligations for common products and services, yet the number of small vendors receiving them fell every year GAO examined.⁶

Meanwhile, the field competing for that work keeps growing. As of October 1, 2026, GSA's OASIS+ contractor list showed 1,558 active contracts in the Total Small Business pool and 475 in the 8(a) pool; across all five small business pools, 1,851 distinct small businesses held contracts, against 700 contracts in the unrestricted pool.⁷ Each of those firms has already passed a qualification threshold, so a task order competition draws from a field of credentialed peers. More contenders and fewer winners is the arithmetic every small firm now faces.

More firms do not mean more capable firms, but AI is making more of them look capable on paper. With 70% of contractors now using AI, polished and compliant submissions are within reach of firms of every size, and teaming lets most of them meet past performance and scale requirements.^{8,4} Polish is becoming

more common with the capacity response, but what separates one proposal from another is whether it is grounded in risk avoidance.

III. Contracting Is Changing

The acquisition system is changing in ways that shorten the time a firm has to understand a requirement. Executive Order 14275 directed that the FAR contain only provisions required by statute or essential to sound procurement, and OMB Memorandum M-25-26 paired the streamlined FAR with non-mandatory buying guides.^{9,10} The FAR Council has proposed rules that would rewrite the regulation in its entirety, including Part 15, which governs contracting by negotiation.¹¹ The stated goal is "faster acquisitions, greater competition, and better results."¹²

Faster acquisitions compress the window that matters most. Before release, the FAR encourages exchanges with industry from the earliest identification of a requirement; after release, the contracting officer becomes the focal point for every exchange, and questions are answered only through the solicitation's written question-and-answer process.¹³ A firm that first meets a requirement on release day has only the weeks until proposals are due to understand it. It has also lost the open exchanges best suited to that work. What remains is the written question-and-answer process: important, but narrow, and every answer goes to every competitor.

Most firms meet requirements too late. The same Clarity study found that 83% of government contractors missed opportunities in 2025 because they discovered them too late, even though three of every four contracts won that year came with more than six months' notice.¹⁴ The signals were public months before release; the discipline to act on them was missing. A team that starts at release cannot build a risk profile in time, so it falls back on a capacity response that tells the evaluator nothing about risk.

Survey evidence agrees. Just over half of the 1,204 firms GAUGE surveyed follow a consistent capture process, and firms winning more than half their bids report more mature capture and bring in outside business development expertise more readily.^{15,16} Both surveys are vendor-sponsored and self-reported, and Clarity's sample extends beyond federal work, but their findings align with each other and with GAO's data on concentration.

IV. The Answer: Risk Intelligence

When polished proposals are common and acquisitions move faster, the advantage lies in what a proposal is built on: risk intelligence, a precise understanding of the risk an agency is trying to buy down, gathered before the solicitation is released and written into every part of the proposal. Risk intelligence is not a research product but a discipline, judgment applied the same way on every pursuit. Five disciplines organize that judgment around a single question: what risk the agency is trying to buy down, and how the firm's solution will help it retire that risk (Table 4-1).

Table 4-1. Each discipline answers one question about the agency's risk, so the pursuit stays anchored to what the customer stands to lose.

Discipline	The Risk Question It Answers	What It Looks Like On A Pursuit
Qualify	Can we name this agency's most serious risks and credibly help retire them?	A bid decision made on risk understanding, not on a NAICS code match; a disciplined "no" when the answer is unclear.
Know	What are the agency's greatest pressure points across its mission, money, rules, delivery, politics and integrity?	An agency risk profile built before the RFP from oversight, budget and workforce sources (Section V).
Shape	Has the agency heard how its risks can be addressed?	RFI responses, industry days and one-on-ones that surface risks and options through channels the agency has opened.
Team	Which risks can we not retire alone?	Each partner chosen to close a named risk, with agreements in place before the bid.
Prove	Why should the evaluator believe we will not fail?	A measured result from comparable work for every major risk, tied to the contract it came from.

Risk intelligence starts at the signal, because an agency's risks predict what it will buy. A signal is a public, dated action or record showing that one of those risks is turning into a requirement. To count as a signal, it must meet three tests. It must be observable: published by the agency, its oversight bodies or Congress, not passed along as rumor. It must be recordable: it carries a date and a source that can be logged in the risk profile. And it must be referenceable: it can be traced to a public source the team can cite in the profile and stand behind if challenged. An entry in an agency's procurement forecast meets all three tests. Many firms practice opportunity identification, watching procurement channels for forecasts and notices. Risk intelligence starts earlier and looks wider, at the oversight, budget, policy and workforce records where a requirement begins. Signals fall into six kinds (Table 4-2).

Table 4-2. Six kinds of signal, each observable in a public record a capture team can log and cite.

Kind Of Signal	What It Looks Like	Where It Is Recorded
Acquisition Planning	A procurement forecast entry, request for information, sources-sought notice, industry day or draft solicitation.	Agency procurement forecasts; SAM.gov.
Contract	A period of performance nearing its end, a bridge or extension, or an option left unexercised.	USAspending.gov; SAM.gov notices.
Oversight	A GAO High-Risk entry, open GAO recommendations, or an Inspector General audit or challenges report.	GAO.gov; Inspector General reports.
Budget	A new, growing or contested line in a budget justification or appropriations report.	Congressional budget justifications; committee reports.

Kind Of Signal	What It Looks Like	Where It Is Recorded
Policy And Rule	A new statute, executive order, OMB memorandum or final rule with an effective date.	Federal Register; Congress.gov.
Workforce And Leadership	Declining workforce survey results, a reorganization or a new program executive.	Workforce survey results; agency announcements.

Not every requirement first appears in a public record. A conversation with an agency official may be the earliest hint that a program is under strain, and it is worth acting on. It is a lead, not a signal: it cannot be logged as evidence or cited back to the agency until a public record confirms it. A lead's value is that it sends the team to find the signal, and that search is where the knowing begins.

The distinction matters because each term carries a condition, and each condition authorizes a different action (Table 4-3). Much of the industry uses lead, opportunity and pursuit interchangeably, so no one can say what must be true before the next step is taken. A disciplined firm can.

Table 4-3. Lead, signal and pursuit: each term sets a condition that must be met before the next action is taken.

Term	What It Is	Condition It Must Meet	Action It Authorizes
Lead	A private, unverified indication that an agency risk may be forming, such as a remark from an official.	Credible enough to be worth checking.	Search for the public record that would confirm it.
Signal	A public, dated action or record showing that an agency risk is turning into a requirement.	Observable, recordable and referenceable.	Open the agency risk profile and log the evidence.
Pursuit	A signaled requirement the firm has chosen to compete for.	Passes qualification: the team can name the agency's most serious risks and show how its solution would help retire them.	Commit capture resources, teaming and solution design.

Signals rarely arrive alone, and their sequence matters. An expiring contract, visible in public award data, may be the first sign of a recompetes.¹⁷ A GAO High-Risk listing or an Inspector General challenges report signals pressure to act.^{1,2} A forecast entry, request for information or sources-sought notice then confirms that a requirement is taking shape.¹⁸ The first signal is when the clock starts: the point to open the risk profile and to bring in any outside help the pursuit will need, while there is still time to understand the risk and the channels to discuss it are still open.

V. Writing to the Risk, and Carrying It Into the Room

An agency risk profile turns signals into the specification for the solution, and it must reach well past the mission statement. Mission challenges are what an agency says aloud. Funding exposure, compliance findings, workforce strain, legislative pressure and integrity concerns are what it manages quietly, and they

often decide whether a contract succeeds. The profile organizes that understanding into six lenses, each with a question the capture team must answer before it designs anything (Table 5-1).

Table 5-1. Six lenses turn a general understanding of the agency into named, evidence-backed risks the solution must retire.

Lens	The Question The Capture Team Must Answer
Mission And Performance	What does failure look like on this requirement, and how close is it already?
Funding And Budget	Is the money stable, shrinking or contested, and what would a cut change?
Regulatory And Compliance	Which rules must the work satisfy, and where is the agency already exposed?
Delivery And Capacity	Which gap is the agency buying to close: expertise, capacity, reach, speed or continuity?
Political And Legislative	What could Congress, the administration or outside stakeholders do to this program?
Integrity	Where could money or trust leak, and what has oversight already found?

Most of the evidence is public: GAO and Inspector General reports, budget justifications, performance reports, workforce surveys, the Federal Register and congressional records.^{1,2} The rest comes from listening, through industry days, one-on-ones and questions the agency has invited. Each risk is rated for likelihood and impact, and the most serious become the requirements the solution must answer.

The profile earns its value only when every element of the solution traces back to it. Each person, process, tool and partner should answer a named risk, explain how it retires or reduces that risk, and point to a measured result showing it has done so before. Retiring a known risk answers it directly; avoiding a risk means changing the conditions it would need to materialize. Risks without an answer reveal gaps in the solution; elements without a risk reveal cost the agency does not need. The win themes follow naturally, because they are the agency's own concerns answered in its own terms. In the proposal itself, the risk is rarely named as the agency's weakness; it appears as the outcome the solution protects.

The profile pays off most where the script ends. In oral presentations, evaluators test confidence directly: the FAR does not treat pre-recorded presentations that lack real-time dialogue as oral presentations, and OFPP's guidance endorses demonstrations as a "show me, don't tell me" approach.^{19,3} Practitioners observe that scenario changes introduced midstream test judgment rather than rehearsal.⁴ A team that has lived inside the agency's risk profile has already weighed what could go wrong and why, so it answers a new scenario from knowledge, not from script. Army guidance asks that the key personnel who will perform the work deliver the relevant portions, so the session does not become "the domain of a professional presenter."²⁰ On paper and in the room, the evaluator is weighing one thing: how likely this team is to protect the mission.

VI. Seven Steps for the Next Pursuit

Each step below can begin on the next pursuit with the team a firm already has. Together, they replace the capacity response with a solution built around the risk the agency is buying down.

- 1 **State the gap in one sentence.** Before any outline or staffing plan, write what the agency cannot do alone and what it risks if the gap remains. A team that cannot agree on that sentence is not ready to write.
- 2 **Start at the signal, not the solicitation.** Track the target agency's procurement forecast, expiring contracts, GAO High-Risk entries, Inspector General challenges and budget justification; log each signal by date and source, and begin the risk profile at the first one.^{18,17,1,2} Treat a lead as a reason to find the signal, not a substitute for it.
- 3 **Qualify on risk, not on fit.** If the team cannot name the agency's three most serious risks and how its solution would help the agency retire each, its probability of win is lower than the pipeline suggests. A signal becomes a pursuit only when it passes this test.
- 4 **Shape through open channels.** Use RFIs, industry days and one-on-ones to surface risks and options while those channels are still open.
- 5 **Team to close a named risk.** Choose each partner for the risk it helps retire, not the logo it adds.
- 6 **Trace every element to a risk and a proof point.** Move past the capacity response. Every role, process and tool should answer a named risk with a measured result from comparable work.
- 7 **Rehearse the risk.** When the solicitation calls for oral presentations, open with mission understanding, rehearse against changing scenarios, and present with the people who will do the work.²⁰

Conclusion

Discipline in federal contracting is not a matter of chasing more opportunities or writing more polished prose; it is a matter of understanding, more deeply than any competitor, what the customer stands to lose. Every requirement is an agency buying down risk: the risk it can see, and the conditions that could produce the next one. AI has made polish common and teaming has made credentials easy to borrow, but neither can generate an understanding of that risk or a solution architected to retire it. That understanding must be earned through the risk profile, operationalized in the solution and demonstrated in the proposal and in the room. That is how a small firm becomes an agency's risk partner rather than one more qualified vendor. The small firms that steward that discipline on every pursuit will not merely compete; they will grow. That is what it means to grow with discipline. The agency buys risk avoidance, and the evaluator scores whether you can deliver it.

About Walteric



Walteric LLC helps small and midsize contractors solve, win and deliver federal work. Walteric works alongside the client's team on high-value pursuits to build an agency risk profile, architect a solution that retires the risks it reveals, and write the proposal that proves it. That work is most valuable when it begins at the first signal of a requirement, not the day the solicitation is released.

Jd Walter, Principal, brings a career spanning federal government contracting, defense and intelligence program management, and active-duty military service. He holds the ASQ Certified Manager of Quality/Organizational Excellence credential and a PhD in Public Policy and Administration.

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