SOURCE SELECTION

TEXT/REFERENCE

GENERAL SERVICES
ADMINISTRATION

FEDERAL ACQUISITION INSTITUTE

OFFICE OF ACQUISITION POLICY

FAC 90-20

SOURCE SELECTION

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PREFACE

THE FEDERAL ACQUISITION INSTITUTE (FAI) CURRICULUM

The Courses

In FY91, the FAI began providing Federal acquisition trainers and educators with instructional materials for a new Contract Management curriculum. This curriculum includes the following courses, listed in a recommended order of attendance.

1. Introduction to Contracting*
2. Procurement Planning*
3. Small Purchases
4. Contracting By Sealed Bidding*
5. Price Analysis*
6. Contracting By Negotiation*
7. Cost Analysis*
8. Negotiation Techniques
9. Government Contract Administration*
10. Government Contract Law
11. Types of Government Contracts
12. Source Selection
13. Advanced Procurement Management
14. Advanced Cost and Price Analysis
15. Advanced Contract Administration
16. Termination

Specialized Courses
(in alphabetical order)

1. Acquisition of Federal Information Processing (FIP) Resources
2. Contracting for Architect/Engineer Services
3. Construction Contracting*

Offerors

Each of the above courses will be offered by the General Services Administration Interagency Training Center. Other Federal acquisition trainers and educators may incorporate FAI instructional materials in their respective curricula (generally under different course titles than the above).

* Currently available.

PURPOSE OF THE FEDERAL ACQUISITION INSTITUTE CURRICULUM

To Help You Accomplish The Goals Of The Federal Acquisition Process:

As a Contract Specialist, your primary goals are to:

1. Obtain the optimum market response to requirements for supplies and services, in terms of:
   - Quality
   - Timeliness
   - Price

   While—
   - Accomplishing socioeconomic objectives
   - Minimizing business and technical risks
   - Maximizing competition
   - Maintaining integrity.

2. Assure that purchased supplies and services are:
   - Delivered or performed when and where specified in the contract
   - Acceptable, in terms of conforming to the contract's specifications or statement of work
   - Promptly and properly reimbursed
   - Provided in compliance with other terms and conditions of the contract.

To Help You Perform Your Duties

To accomplish these goals, Contract Specialists perform more than 75 principal duties. Collectively, these duties constitute the Federal acquisition process. *Exhibit P-1* maps the acquisition process and relates each duty to the overall process. The FAI curriculum has been designed to systematically develop your skill at every duty in *Exhibit P-1*, in the context of accomplishing the overall goals of the Federal Acquisition Process.

Your Challenge

Your challenge is to become proficient in performing the duties described *Exhibit P-1*. Granted, you may presently perform only a subset of the duties. In terms of your career, however, learning the entire range of duties will improve your competitiveness for a great variety of contracting positions, including managerial positions. From the standpoint of the Government, you will be better able to perform any one duty if you have first hand knowledge of how the duty affects, and is in turn affected by, the performance of the other duties.

PRESOLICITATION PHASE

Determination of Need	Initiating the Procurement	Analysis of Requirement	Sourcing
Determining Needs 1. Forecasting Requirements 2. Acquisition Planning	**Processing the PR** 3. Purchase Requests 4. Funding **Market Research** 5. Market Research	**Analyzing Requirements** 6. Specifications 7. Statements of Work 8. Services	**Extent of Competition** 9. Sources 10. Set-Asides 11. 8(a) Procurements 12. Competition Requirements 13. Unsolicited Proposals **Selection Factors** 14. Lease vs. Purchase 15. Price Related Factors 16. Technical Evaluation Factors **Method and Plan for the Procurement** 17. Method of Procurement 18. Procurement Planning

SOLICITATION-AWARD PHASE

Solicitation	Evaluation—Sealed Bidding	Evaluation—Negotiation	Award
Terms and Conditions 19. Contract Types 20. Letter Contracts 21. Contract Financing 22. Use of Government Property and Supply Sources 23. Need For Bonds 24. Solicitation Preparation **Soliciting Offers** 25. Publicizing Proposed Procurements 26. Preaward Inquiries 27. Prebid/Preproposal Conferences 28. Amending Solicitations 29. Cancelling Solicitations	**Bid Evaluation** 30. Processing Bids 31. Bid Acceptance Periods 32. Late Offers 33. Bid Prices 34. Responsiveness	**Proposal Evaluation** 35. Processing Proposals 36. Technical Evaluation 37. Price Objectives 38. Cost and Pricing Data 39. Audits 40. Cost Analysis 41. Evaluating Other Terms and Conditions 42. Competitive Range **Discussions** 43. Factfinding 44. Negotiation Strategy 45. Conducting Negotiations	**Selection for Award** 46. Mistakes in Offers 47. Responsibility 48. Subcontracting Requirements 49. Preparing Awards **Executing Awards** 50. Award 51. Debriefing **Protests** 52. Protests **Fraud and Exclusion** 53. Fraud and Exclusion

Exhibit P-1

POST-AWARD ADMINISTRATION PHASE

Start-Up	Quality Assurance	Payment and Accounting	Closeout
Planning 54. Contract Administration Planning 55. Post-Award Orientations **Ordering** 56. Ordering Against Contracts and Agreements **Subcontracting** 57. Consent to Subcontracts	**Monitoring and Problem Solving** 58. Monitoring, Inspection, and Acceptance 59. Delays 60. Stop Work 61. Remedies **Property** 62. Property Administration **Reporting Performance Problems** 63. Reporting Performance Problems	**Payment** 64. Limitation of Costs 65. Payment 66. Unallowable Costs 67. Assignment of Claims 68. Collecting Contractor Debts 69. Progress Payments 70. Price and Fee Adjustments **Accounting** 71. Accounting and Cost Estimating Systems 72. Cost Accounting Standards 73. Defective Pricing	**Closeout** 74. Closeout

POST-AWARD ADMINISTRATION PHASE (cont.)

Contract Modification	Termination	Claims	
Modifications/Options 75. Contract Modifications	**Termination** 76. Termination 77. Bonds	**Claims** 78. Claims	

Exhibit P-1

CHARACTERISTICS OF FAI COURSES

- Each course in the curriculum builds on the skills and knowledge taught in prior courses.
- Each course covers specific duties and is designed to provide skill in performing those duties.
- Generally, there is a separate lesson for each duty, with a corresponding chapter in the Text/Reference.
- In most cases, your instructor will introduce the duty, its purpose (learning objective), applicable policies, and standards for performance.
- Next, the instructor will walk you through a flowchart of the steps in performing the duty.
- You will perform selected steps in-class, using case studies and other such exercises.
- You will be tested.
- For each duty, the Text/Reference serves as a desk reference, with flowcharts, steps in performance, and job aids.
- Practicums (i.e., self-instructional exercises) will be available at a later date to reinforce the in-class learning back on-the-job.
- Specialized courses (e.g., Construction Contracting) do not reteach the basic acquisition process, but rather concentrate on the unique regulations and procedures related to acquiring that type of deliverable.

OVERVIEW OF SOURCE SELECTION

Duties .

The following are among the primary duties from *Exhibit P-1* covered in this course:

Unit of Instruction	*Duty*	*Chapter(s)*	*Focus:*
2	Acquisition Planning	1	Creating the overall acquisition plan
18 Part B	Acquisition Planning	2	Creating the Source Selection Plan
16	Solicitation Preparation	3	Developing evaluation factors
36	Technical Evaluation	4	Instructing the technical evaluation team Obtaining technical evaluation report(s)
42	Competitive Range	5	Determining the competitive range
45	Conducting Negotiations	6	Conducting negotiations Requesting BAFO
49	Preparing Awards	6	Briefing the SSA Preparing the contract
50	Award	6	Executing contract Making postaward notifications
51	Debriefing	6	Debriefing offerors

Length

One week (5 days)

Who Should Attend

Contract Specialists (GS-9 to GS-13) who have completed the following three courses (or an equivalent course or courses):

- Introduction to Contracting
- Procurement Planning
- Contracting by Negotiation
- Price Analysis
- Cost Analysis
- Government Contract Administration

USING THE TEXT / REFERENCE IN THE CLASSROOM

Classroom Learning Objectives (CLOs)

At the beginning of each chapter, we have listed the classroom learning objectives for that chapter. We have written the text/reference to provide you with the information necessary to accomplish those objectives. Likewise, the classroom instruction and exercises are designed to help you attain those objectives.

Most of the objectives are written in terms of your performance of a duty or task. For example, The Text/Reference provides a step by step guide to performing the duties. In the classroom, you will have opportunities to practice performance of the duties—using the Text/Reference as your guide—through the use of such instructional techniques as interactive viewgraphs and case studies.

Interactive Viewgraphs

An interactive viewgraph is a slide on the overhead projector that requires a response from the class. For example, if the instructor is showing a decision table, the "then" side would be empty and you would help fill in the answers. Or perhaps the slide asks a particular question about a list of conditions shown on the slide. Most viewgraphs are represented in the Text/Reference as Exhibits.

Case Studies

Case studies are written as scenarios or stories about particular procurement situations. There are several questions that follow the scenarios relating to the case and the particular lesson. Sometimes you have to use information in the Text/Reference to complete a case study.

Reading Assignments

You are responsible for assigned readings from the chapters. You will spend minimal time listening to lectures. Our philosophy is that you learn best by doing the tasks under simulated conditions.

Testing

There will be one written test. It will contain approximately 35 questions and will be administered on the last day of class. Test items are taken only from the readings assigned by your Instructor.

The test should take no more than 75 minutes. All test questions were developed to verify the learning acquired from the course learning objectives which appear on the first page of each chapter in the Text/Reference.

USING THE TEXT / REFERENCE AT YOUR JOB SITE

The Text/Reference was developed to be used at your job site as well as in the classroom. Its step by step approach, FAR references, structured writing, and index are all designed for the easy and quick retrieval of information about the contracting process. Each Text/Reference is "dated" by indicating which FAC of the FAR system it is current through. This lets you know exactly how up to date it is. You may contact the FAI for updates or annotate your own copy as FAR policy changes.

COMMENTS

The book has not yet been written that does not contain some typos, incorrect citations, missing information, or technical inaccuracies. If this book is helpful to you, and you would like to help make it better, please send any corrections you recommend to the Federal Acquisition Institute (FAI) in care of GSA-VF, 18th and F Sts., NW, Washington, DC, 20405.

ABOUT THE FAI

As directed by the Office of Federal Procurement Policy Act, as amended, the Federal Acquisition Institute (FAI) has been working for more than a decade to (1) foster Government-wide career management programs for a professional procurement work force; and (2) promote and coordinate Government-wide research and studies to improve the procurement process and the laws, policies, methods, regulations, procedures, and forms relating to procurement by the executive agencies.

For example, the FAI over the years has:

- Published annual demographic reports on the Federal acquisition workforce, showing trends in qualifications, turnover, and hiring.
- Developed and published guidance for the consideration of Federal Procurement Executives in establishing the procurement career management programs required by the Office of Federal Procurement Policy Act, as amended.
- Assisted colleges and universities in establishing courses and programs in acquisition disciplines, published directories of such academic courses and programs, and reviewed the equivalency of those courses and programs in meeting Federal training requirements.
- Supported the Office of Personnel Management (OPM) in developing standards and examinations for acquisition positions.
- Assisted Federal managers and supervisors in identifying and recruiting highly qualified candidates for acquisition fields (e.g., by publishing recruiting brochures, preparing other recruitment materials, coordinating recruitment at selected colleges).
- Developed a Contract Specialist Workbook, as a desk reference for performing 78 core Contract Management duties.
- Developed instructional materials (including this and other text/references, instructor guides, and test/banks) for Contract Management courses.
- Assisted agencies in establishing competency-based training, education, and certification programs.
- Developed and field tested a staffing standards model for contracting activities.

ABOUT THE GSA INTERAGENCY TRAINING CENTER

The U.S. General Services Administration (GSA) was founded to serve other Federal agencies, State and local governments, and the public. An important part of this service is helping governmental groups to fulfill their missions. The GSA Interagency Training Center supports other agencies' missions by providing quality training to their employees. For Federal acquisition specialists, the Interagency Training Center provides courses in the knowledge, skills, and abilities necessary to perform their duties.

To find the GSA Interagency Training Center courses most useful to your mission, consult *The GSA Interagency Catalog and Schedule*, which is published annually. For copies, contact the GSA Interagency Training Center by phone or letter at:

GSA Interagency Training Center
P.O. Box 15608
Arlington VA 22215-0608
FTS 703 557-0986

INTRODUCTION

OVERVIEW OF THE FEDERAL ACQUISITION PROCESS

Chapter Vignette

John was an experienced contract specialist and felt very confident about his ability to handle most procurements. After all, he had successfully handled more than three hundred sealed bidding acquisitions in the past two years alone. However, he felt some nervousness when he was notified that he might have to assist a "Source Selection Evaluation Board" for what was expected to be a high cost procurement. He had never worked with such a board before. He heard this upcoming procurement would probably be based on "best value," rather than lowest cost alone. He also heard that there would be intense competition among the offerors. Most disturbing, he remembered that a similar procurement during the past year had resulted in several protests based on the Government's evaluation of the offers. He wondered how he could best prepare for the work ahead.

Course Learning Objectives

In this Chapter

At the end of this chapter, you will be able to:

1. Identify the phases of the Federal Acquisition Process.
2. Recognize and briefly describe the process and functions that occur during presolicitation and solicitation-award phases of the acquisition process.

Chapter Overview

Introduction

This course lays the basis for studying Source Selection by:

- presenting an overview of the Federal Acquisition Process and its goals
- showing the relationship of the source selection process to the entire Federal Acquisition Process

Topics covered in this Chapter

This chapter includes:

SECT.	TITLE	PAGE
I.1	Overview of the Federal Acquisition Process	I-4
I.2	Your Performance of Acquisition Functions and Duties	I-9
I.3	The Source Selection Process in the Federal Acquisition Process	I-10

I.1 Overview of The Federal Acquisition Process

Introduction

The Source Selection Process is a part of the overall Federal Acquisition Process. Before you focus on the Source Selection Process, it is useful to recall the:

- Goals
- Phases
- Functions
- Duties

of the Federal Acquisition Process.

Goals of the Federal Acquisition Process

You may recall that the Federal Acquisition Process is designed to achieve 2 basic goals:

1. Obtain the optimum market response to requirements for supplies and services, in terms of:

   - Quality
   - Timeliness
   - Price

   While:

   - Accomplishing socioeconomic objectives
   - Minimizing business and technical risks
   - Maximizing competition
   - Maintaining procurement integrity

2. Assure that purchased supplies and services are:

   - Delivered or performed when and where specified in the contract
   - Acceptable, in terms of conforming to the contract's specifications or statement of work
   - Furnished in compliance with other terms and conditions of the contract

I.1 Overview of the Federal Acquisition Process (continued)

Phases of the Federal Acquisition Process

The Federal Acquisition Process is divided into three phases:

1. Presolicitation Phase
2. Solicitation-Award Phase
3. Post-award Administration Phase

Functions of Phases of the Federal Acquisition Process

In each of these phases, Government contract personnel perform several functions:

Functions of the Presolicitation Phase

1. Determination of Need
2. Initiating the Procurement
3. Analysis of Requirement
4. Sourcing

Functions of the Solicitation-Award Phase

1. Solicitation
2. Evaluation (Sealed Bid and Negotiation)
3. Award

Functions of the Post-Award Administration Phase

1. Start-up
2. Quality Assurance
3. Payment and Accounting
4. Closeout
5. Contract Modification
6. Termination
7. Claims

Difference in the Federal Acquisition Process

While the Federal Acquisition Process involves the same basic phases and functions as any acquisition process, it differs greatly in the details of *how* those functions are performed.

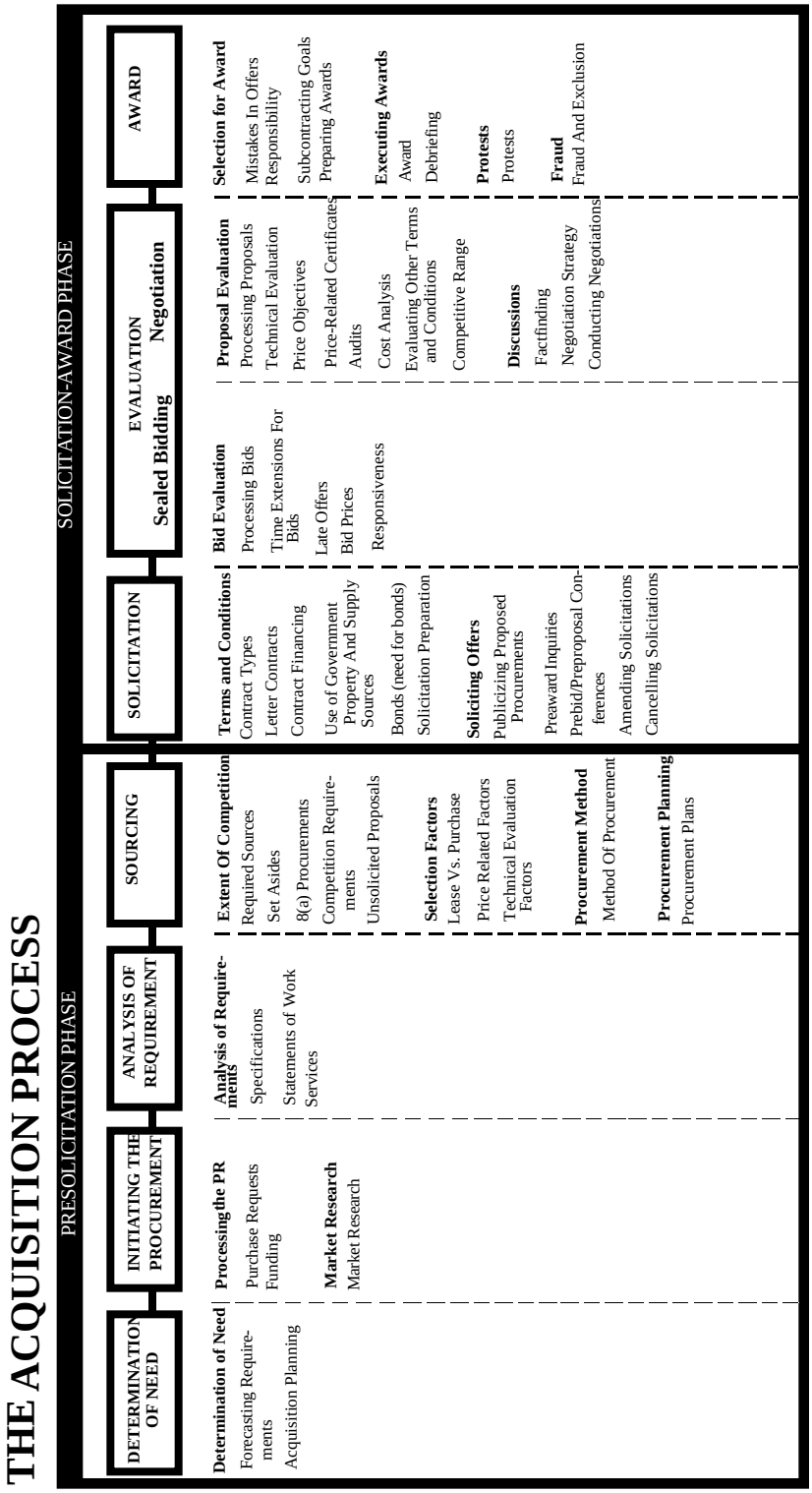
I.1 Overview of the Federal Acquisition Process (continued)

Duties in the Federal Acquisition Process

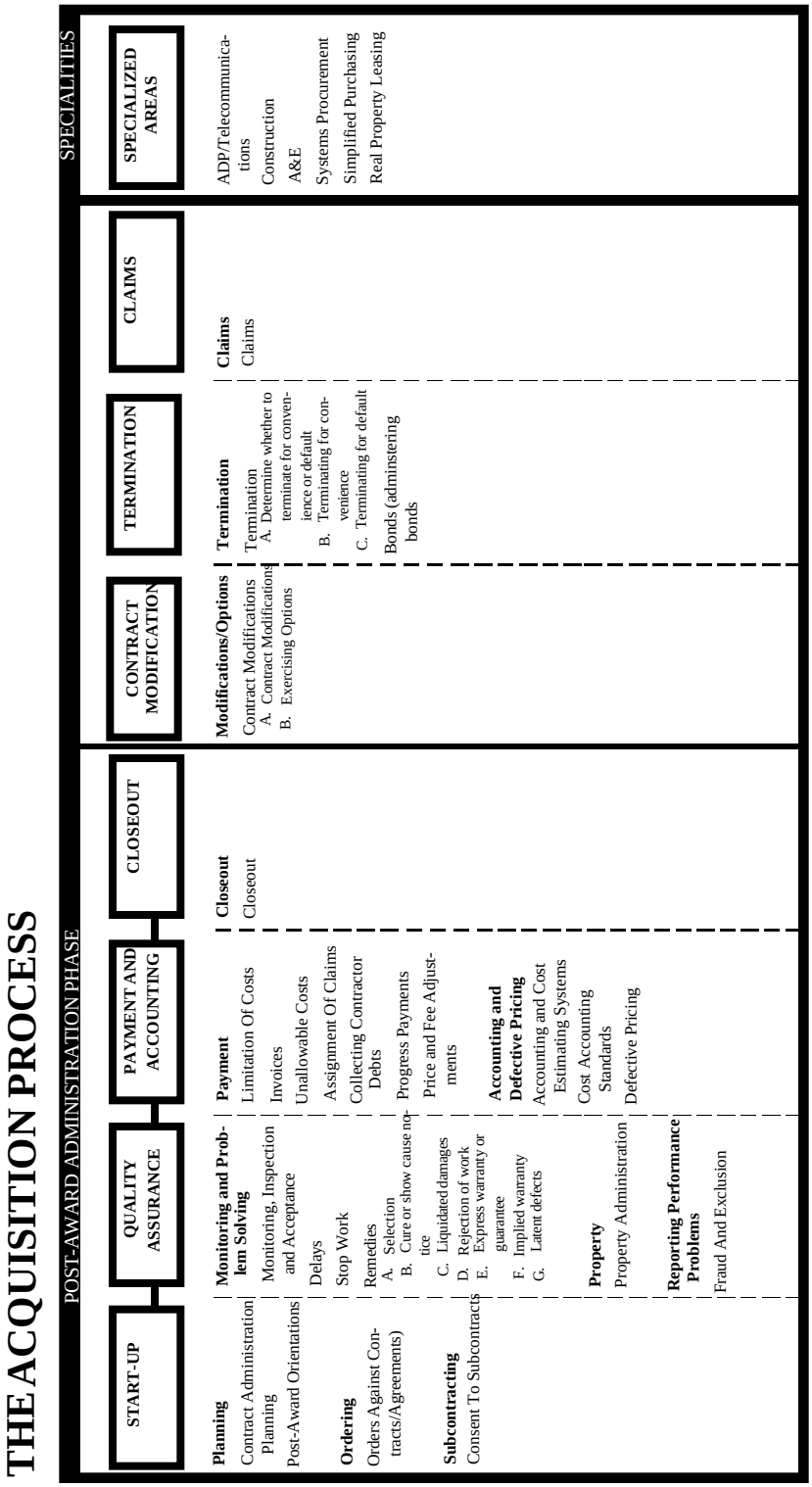
The following charts show the phases and functions of the Federal acquisition process, in terms of the specific duties that are related to each function.

However, please note that not every function or duty applies to every acquisition. For example, many contracts are not modified, and few are terminated. Also be advised that the sequencing of functions or duties may vary from contract to contract . For example, some solicitations may be amended prior to the opening of proposals, but others might not be amended until after the Government has begun to evaluate proposals.

Also note that several agencies, most notably the National Aeronautics and Space Administration, use alternative source selection procedures for large acquisitions. Such source selection procedures depart markedly from the process described above, in terms of (1) steps in the process, (2) how those steps are performed, and (3) in the roles and responsibilities of the CO and other officials for the acquisition.



Federal Acquisition Process Chart.



Federal Acquisition Process Chart (continued)

I.2 Your Performance of Acquisition Functions and Duties

Your Performance of Acquisition Functions

In the final analysis, your performance of acquisition functions and related duties should be judged NOT by:

- How faithfully you have observed the letter of the applicable laws and regulations (although your acquisitions must comply with those laws and regulations)
- The extent of competition for the requirement (although maximizing competition is a subgoal of the process)
- Whether you have obtained a lower price than in prior acquisitions for the supply or service (although price is an important factor)

Rather, your performance at every step of the way in the acquisition process should be judged by its *contribution to accomplishing the overall goals of the acquisition process*.

For example, you may perform every step of the procurement process in apparent compliance with the letter of the applicable laws and regulations. You may have succeeded in obtaining independently prepared offers from three competitors. Yet the prices might be unacceptably high because you:

- Entered the market at the wrong time (e.g., buying produce out of season)
- Used a specification that unnecessarily and unwittingly limited competition to a market segment characterized by premium prices
- Ordered an uneconomic quantity
- Imposed an unnecessarily tight delivery schedule relative to delivery terms and conditions that are prevalent in that market.
- Used the wrong type of contract (e.g., a firm fixed price contract for a market that is expecting a high rate of inflation during the period of contract performance)
- Imposed warranty requirements that are far in excess of what is customary for that market

The bottom line: No function of the acquisition process or any related duty should be viewed as an end in itself. Rather, as you read about each function and duty of source selection in the following chapters, *always be mindful of the overall goals of the Federal Acquisition Process*.

I.3 The Source Selection Process in the Federal Acquisition Process

Correlation of Phases in Both Processes

The Source Selection Process is a portion of the Federal Acquisition Process. Therefore, it is not surprising that both processes use similar names for their phases. Unfortunately, the phases with similar names are NOT identical. This can be very confusing. Therefore, the following chart is provided to show the correlation of the phases in each process. Chapter 1 provides an overview of the Source Selection Process.

Phases of Federal Acquisition Process	Phases of Source Selection Process
1 Presolicitation	1 Presolicitation
2 Solicitation-Award	2 Solicitation
	3 Evaluation
	4 Selection and Award
	(Contract Start-up Support Activities)
3 Post-Award	

CHAPTER 1

OVERVIEW OF SOURCE SELECTION

Chapter Vignette

John was trying to remember all that he had ever read in the Federal Acquisition Regulation and Comptroller General decisions about source selection. He recalled that many other factors besides the offeror's price could be considered by the Government, but that it was crucial to select these factors carefully and apply them in a valid and consistent manner. He remembered now that even the technical experts did not always agree the first time on what technical factors should be considered. He decided that it was time to crack the books and review the overall process of source selection. After all, he thought, it is better to understand the "big picture" first, before getting into the details.

Course Learning Objectives

In this Chapter

At the end of this chapter, you will be able to:

1. Define “source selection.” Distinguish “formal” from “informal” source selection procedures.

2. State the basic purpose and goals of source selection and identify related functions.

3. Recognize and briefly describe the process and functions that occur during presolicitation and solicitation-award phases of the acquisition process, as it relates to source selection.

Chapter Overview

Introduction

In this course, you the Contract Specialist will become familiar with all the actions that YOU must perform as either the Source Selection Authority (SSA) or a member of a Source Selection Evaluation Board (SSEB). You will become familiar with both formal and informal source selections.

Some of these actions are really individual tasks, such as personally evaluating the offerors' proposals. You may be required to perform them individually without much help. Other tasks discussed in this text may be performed as a member of a team, the Source Selection Advisory Council (SSAC) or Source Selection Evaluation Board.

Topics in This Chapter

This chapter includes the following topics:

SECT.	TITLE	PAGE
1.1	Terminology for Source Selection	1-4
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1.9	Creating the Acquisition Plan—FAR 7.105	1-19
1.10	Phase 2—Solicitation	1-26
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1.12	Phase 4—Selection and Award	1-28

1.1 Terminology for Source Selection

Acquisition FAR 2.101	The acquiring by contract with appropriated funds of supplies or services by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when the agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and **selection of sources**, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.
Acquisition Planning FAR 7.101	The process by which the efforts of the personnel responsible for an acquisition are coordinated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost.
Acquisition Plan FAR 7.105	All the technical, business, management, and other significant considerations that control the acquisition. The specific content of a plan will vary, depending on the nature, circumstances, and stage of the acquisition. The plan also contains the acquisition milestones.
Contracting Activity FAR 2.101	An element of an agency designated by the agency head and delegated broad authorization regarding acquisition functions.
Contracting Officer (CO) FAR 2.101	A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. Only the Contracting Officer has the authority to sign a contract or modification.
Head of the Contracting Activity (HCA) FAR 2.101	The official who has overall responsibility for managing the contracting activity.
Source Selection	The process of soliciting and evaluating offers for award in a competitive negotiated environment.
Source Selection Authority (SSA) FAR 15.601	The Government official in charge of selecting the source.
Source Selection Advisors	Personnel responsible for providing source selection advice to the SSA and SSEB.

1.1 Terminology for Source Selection (continued)

Source Selection Evaluation Board (SSEB)	Specialists who are responsible for assisting the Contracting Officer in developing the source selection plan and for evaluating proposals in accordance with the source selection plan and the RFP.
Source Selection Advisory Council (SSAC)	High level agency personnel that oversee the functioning of the SSEB and that may make recommendations to the SSA.
Source Selection Plan (SSP) FAR 15.6	A plan containing at a minimum the following: • description of the organization structure • identity of members of the boards or advisors • proposed presolicitation activities • summary of the acquisition strategy • statement of proposed evaluation factors and any significant subfactors, & their relative importance • description of the evaluation process, methodology, and techniques to be used • schedule of significant milestones.

1.2 Basics of Source Selection

Introduction

FAR 15.6

Source selection is the process of soliciting and evaluating offers for award in a competitive negotiated environment.

FAR 15.612(a)

Formal source selection occurs "when a specific evaluation group is established to evaluate proposals and select the source for contract award." It is generally used in high-dollar acquisitions, but may be used in other acquisitions as prescribed in agency regulations. Normally an official above the contracting officer (CO) selects the source.

Informal source selection is when the CO makes the selection with the assistance of a technical evaluation panel, when necessary.

Applicability

FAR 15.602

The source selection process applies to negotiated contracting when source selection is based on:

1. Cost or price competition between proposals that meet the Governments' minimum requirements stated in the solicitation

OR

2. Competition involving an evaluation and comparison of cost and/or price and other factors.

Objectives of Source Selection

The objectives of source selection procedures support the goals of the federal acquisition process. These objectives are:

- evaluation of the **ability to produce** the supplies or services and the **quality relative to price**
- determination of the technical and management capability of the offeror
- determination of the offeror's past performance in providing supplies or services.
- determination of which offer will be **most advantageous** to the Government

These objectives are the results of an evaluation scheme that allows the Government to assess the offeror's ability to meet the Government's needs and assess the relative merits of competing proposals.

1.2 Basics of Source Selection (continued)

Purposes of Source Selection

FAR 15.603

The purposes of source selection procedures are to:

- maximize competition,
- minimize the complexity of the solicitation, evaluation and selection decision,
- ensure impartial and comprehensive evaluation of all proposals,
- ensure selection of the source whose proposal has the highest degree of realism and whose performance is expected to best meet stated Government requirements.

Basic Approaches to Source Selection

Detailed procedures covering source selection are NOT provided in either statutory or regulatory form. Each agency, therefore, has policies for implementing source selection procedures which reflect the individual agency's mission. Much of the individual agency's policies are contained in handbooks on Source Selection. (See Chart on Page 3-7).

There are two basic approaches to source selection:

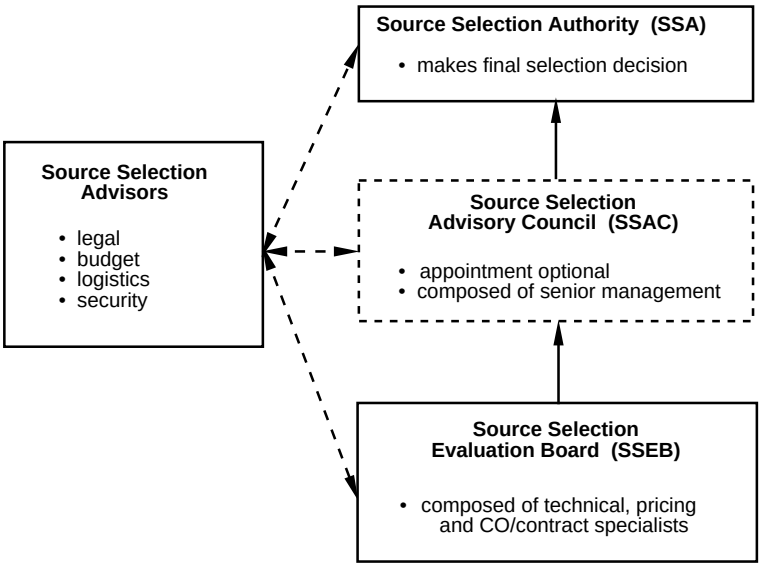
1. **Lowest-Price Technically Acceptable Proposal**—under this approach, all of the evaluation factors, except price, are, in effect, evaluated on a "Go, No-Go" basis. It is appropriate when price is properly the deciding factor once the technical acceptability of offers has been determined. "Go, No-Go" factors define a standard of comparison for contract requirements which proposals either satisfy completely or fail to meet.

2. **"Best Value" Concept**—is an approach that considers the appropriate balance of technical merit, management capability and cost factors for a specific requirement that will provide the "best value" to the Government. There may be a tradeoff of higher price for a better supply or service.

1.3 Source Selection Organization

Source Selection Organization

The source selection organization typically consists of:



(See Appendix for examples of other possible source selection organizations.)

Source Selection Authority (SSA)

The Source Selection Authority makes the final selection decision. The SSA should be at a management level above the contracting officer and the cognizant technical/program official so that evaluation and final selection is based on consideration of the specific requirement as well as overall agency and programmatic concerns.

Source Selection Advisory Council (SSAC)

The appointment of a Source Selection Advisory Council is *optional* and at the discretion of the SSA. If an SSAC is appointed, it reviews the evaluation of the Source Selection Evaluation Board and, if requested, makes a recommendation to the SSA.

Source Selection Evaluation Board (SSEB)

Specialists who are responsible for assisting the Contracting Officer in developing the source selection plan and for evaluating proposals in accordance with the source selection plan and the RFP.

1.4 Key Events in the Source Selection Process

Phases of the FAP

The following table outlines the Source Selection process.

ACQUISITION PHASE	SOURCE SELECTION PROCESS	SOURCE SELECTION ACTIVITIES
Pre-Solicitation	Develop Acquisition Plan	Develop Acquisition Plan
	Develop Source Selection Plan	Develop the Source Selection Plan and appoint the SSEB
	Obtain Reviews, Approvals, and Authorization	Request/Receive Agency-level Reviews/Approval
Solicitation	Prepare and Issue Solicitation	Write the Solicitation
		Develop an Independent Government Cost Estimate
		Obtain Industry Comments on the Draft Solicitation (optional)
		Develop detailed Source Selection Materials
		Publicize the Solicitation in the *Commerce Business Daily*
		Issue the Solicitation
		Hold Preproposal Conference (optional)
		Answer Questions and Amend the Solicitation
Evaluation	Evaluate Proposals	Train Source Selection Team
		Receive Proposals
		Determine Whether Proposals Comply with Solicitation Instructions
		Evaluate Proposals Against Minimum Mandatory Requirements
		Request Clarification or Correction
		Rate Technical Proposals
		Conduct Initial Cost Evaluation
		Establish Competitive Range
Award	Select Contractor	Conduct Discussions and Negotiations
		Request Best and Final Offers (BAFOs)
		Rerate Proposals Based on BAFOs
		Select the Apparent Winner
		Conduct Responsibility Reviews
		Approve the Selection
		Award the Contract
		Notify Unsuccessful Offerors
		Debrief Offerors
		Publicize the Contract
Post Award	Contract Administration	

1.5 Principal Source Selection Documentation

Document Requirement	UCF Section	Description
Acquisition Plan—a common framework	N/A	Successful source selection requires planning and teamwork. With so many personnel involved in the procurement process, the "players" MUST have a common framework—the **Acquisition Plan**—to coordinate their activities. The acquisition plan includes the necessary information for the key players to make *informed* decisions. The plan also establishes the milestones for the acquisition.
Performance Requirements	C	The plan is based on the performance requirements. These requirements are defined in the: **Statement of Work** and/or **Specifications**
Evaluation Factors and Significant Subfactors	M	The factors and significant subfactors are derived from the SOW and/or specifications. They define the: • extent of subcontracting, in some instances • performance requirements • business qualifications.
Evaluation Criteria	N/A	Once the factors and significant subfactors are defined, the **Source Selection Plan** states the **evaluation criteria** and establishes guidelines for a consistent approach to source selection**.** The terminology "selection criteria" is also used for "evaluation criteria." The SSEB uses these criteria/factors to evaluate: • the offerors' proposed supplies and services • the offeror's qualifications, risk assessments, and management plans, and how they propose to budget their resources (cost).
Proposal Preparation Instructions	L	In order for the SSEB to be able to evaluate all of the proposals against these selection criteria, the proposals MUST be in a consistent format. The **proposal preparation instructions** provide offerors with directions for preparing responses to the requirements in this **consistent format.** Section L must agree with Section M and should agree with the Source Selection Plan.

Relationship of Documentation

The graphics on the next page shows the relationship of the documentation produced in the source selection process.

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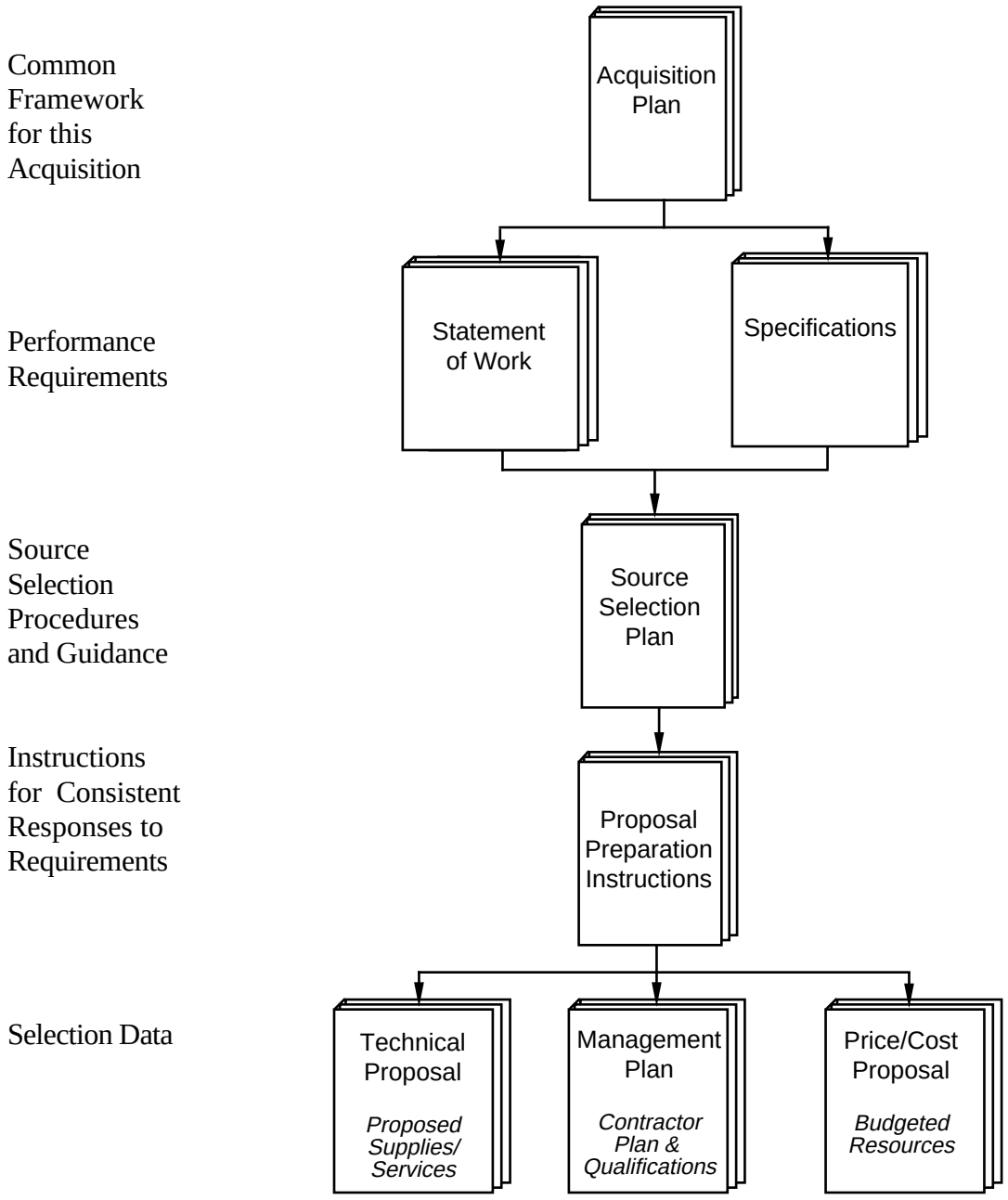
1.5 Principal Source Selection Documentation (continued)



1.6 Key Events in the Selection Process

General

The Federal Government acquires supplies and services to support mission requirements. Therefore, the proper selection of a source to provide those supplies and services to the government is an important event in the acquisition process. Reports and data collected on federal acquisitions (e.g., Packard Commission Report, Commission on Government Procurement and Federal Procurement Data Center information, and many others) clearly indicate that proper selection most often leads to superior performance—poor selection leads to poor performance.

Phases of the Source Selection Process

The acquisition process for negotiated competitive procurements or, as it is most often called, source selection, is divided into four phases:

1. Presolicitation
2. Solicitation
3. Evaluation
4. Selection and Award

Within each phase, there are a number of discrete and important events that occur—each dependent upon the other. Source selection requires a team effort and adherence to a well conceived plan to ensure proper selection and the avoidance of protests and delays.

As a Contract Specialist you should already be familiar with these phases. The principal events are shown in the flowchart on the following pages.

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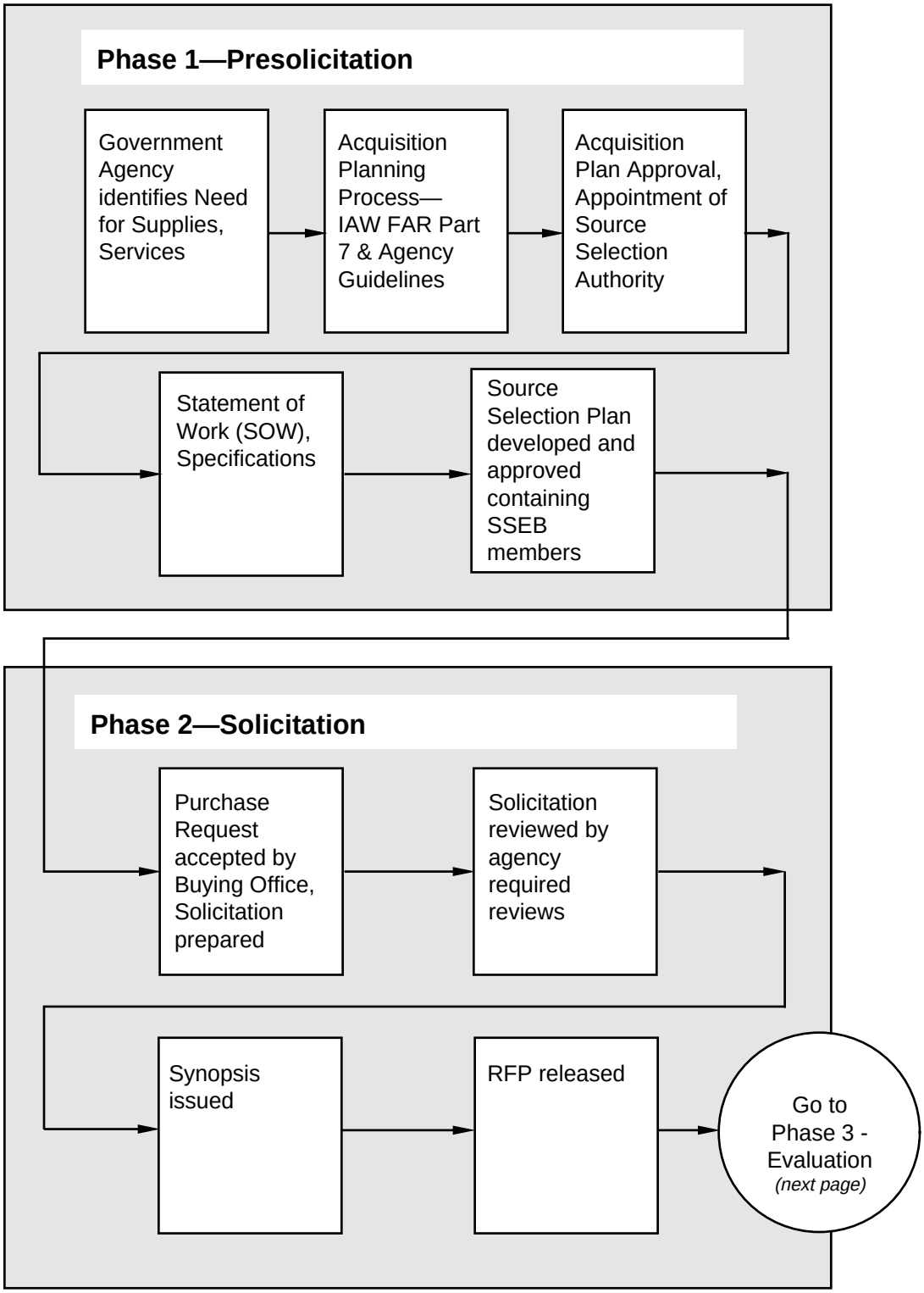
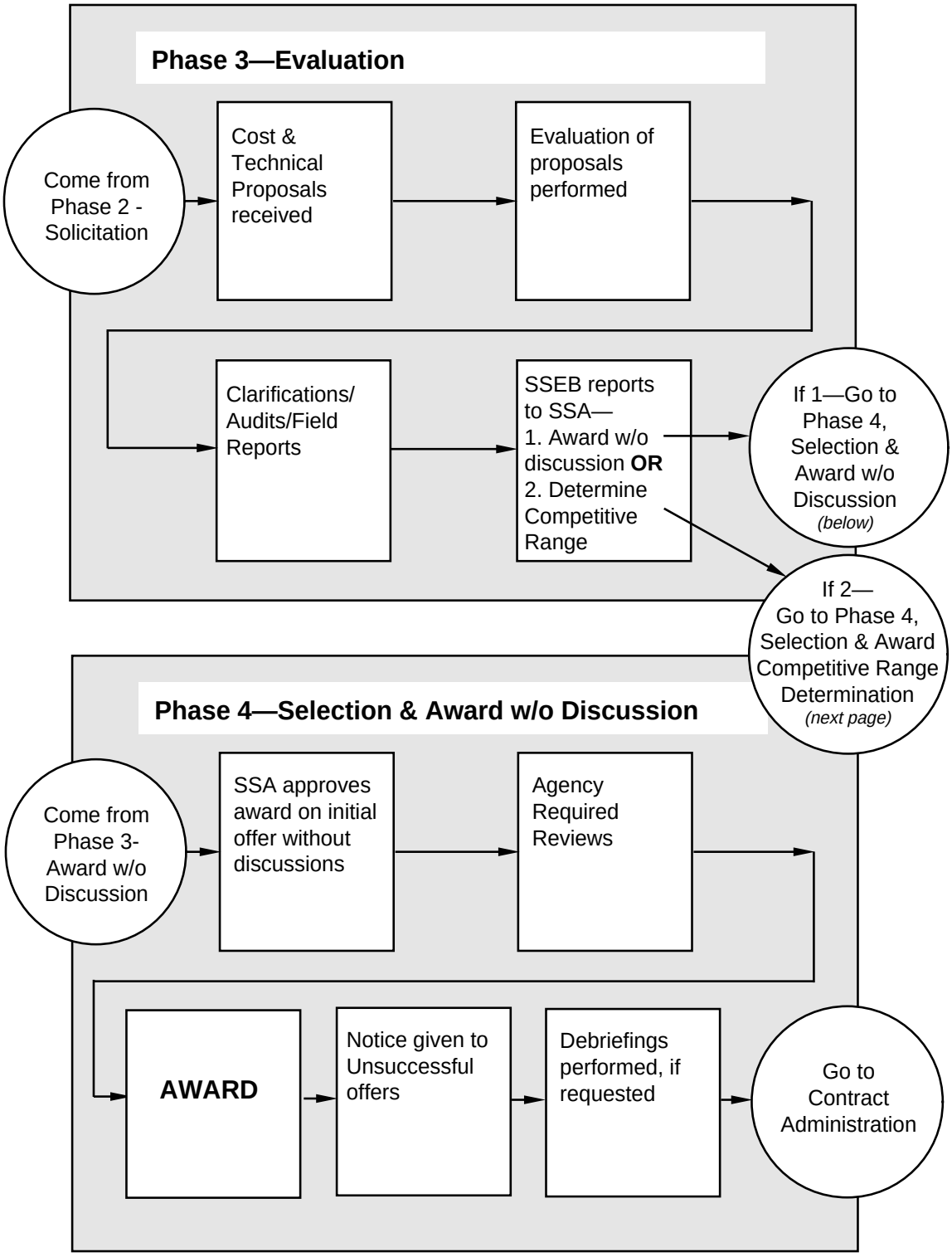
1.6 Key Events in the Selection Process (continued)

Source Selection Flowchart



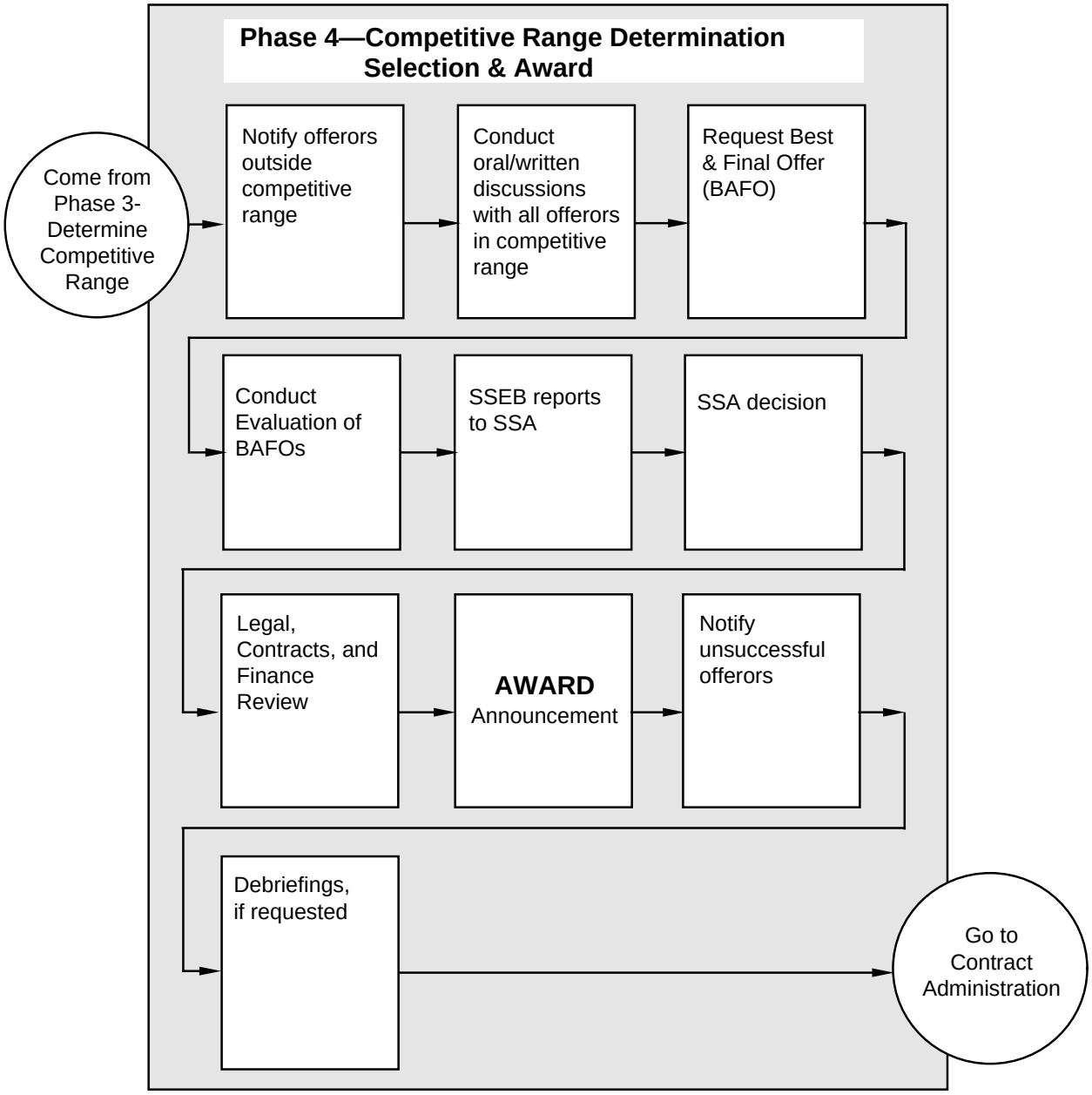
1.6 Key Events in the Selection Process (continued)

Source Selection Flowchart (continued)



1.6 Key Events in the Selection Process (continued)

Source Selection Flowchart (continued)



1.7 Phase 1—Presolicitation

Introduction

The remainder of this chapter contains a synopsis of the steps necessary for each phase of the source selection process.

Presolicitation is the most important phase of the process. Proper attention to planning and coordination with all the participants is necessary for successful source selection.

Developing the Acquisition Plan

FAR Part 7

During this phase, the requiring activity (user organization, buyer) develops a comprehensive **Acquisition Plan**, which:

- identifies the needs
- defines the specific requirements
- identifies budget
- determines the acquisition strategy

The requiring activity obtains assistance to develop the Acquisition Plan from other disciplines such as contracting, logistics, quality assurance and other subject-matter-experts (SME).

Organizing for Source Selection

During this phase, the **Contracting Officer (CO)** is assigned and the **Source Selection Authority (SSA)** is appointed.

Included in the Source Selection Plan are the SSEB procedure guidelines, and the criteria, standards and organizational structure by which the SSEB will objectively evaluate the offerors' proposals.

Supporting Activities by the Requiring Agency

Often, during this phase, the requiring activity will:

- conduct a market survey to determine the availability or viable production of the requirement, and to assist in the development of the Independent Government Estimate or Independent Cost Estimate.
- distribute a draft SOW or draft RFP to get feed-back on the description of the requirement in an attempt to avoid ambiguity and to take advantage of the vast information available in the marketplace.

(continued on next page)

1.7 Phase 1—Presolicitation (continued)

Other Presolicitation Activities	Critical to the success of this phase and the entire acquisition process is the development of a clear, concise, and unambiguous description of the requirement. The CO may elect to issue a draft RFP to potential sources for comment and/or hold a presolicitation conference to clarify questions about the requirement.
Procurement Integrity	There are stringent requirements for maintaining the integrity of the procurement process that MUST be adhered to during this phase by all participants. This includes both technical and contracting personnel. Both written and oral communications should be guarded. *Procurement Integrity Rules provide for both civil and criminal penalties for violations.* The principal guiding this phase is that all offerors are treated equally and no one obtains an unfair advantage.

1.8 Acquisition Planning—a Common Framework for Successful Acquisition

Introduction

One of the most important functions performed during the Presolicitation phase is Acquisition Planning. Understanding the requirement is fundamental to successful Source Selection. It is therefore necessary for the Contract Specialist to participate in the Acquisition Planning Process and become thoroughly familiar with the Acquisition Plan.

Purposes of the Acquisition Plan

Establishes Baseline. The Acquisition Plan serves as the baseline document upon which all of the participating personnel base their decisions. *The Source Selection Plan evolves from the information provided in the Acquisition Plan.*

FAR 7.101

Coordinates Effort. "The efforts of all personnel responsible for an acquisition are coordinated through the acquisition plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition."

Requirement and Responsibility for Acquisition Plan

Agencies are required to prescribe their own criteria and thresholds for requiring written plans and are encouraged to develop standard acquisition plan formats. The Contracting Officer is ultimately responsible for the plan, however, agencies designate a "planner" which is a person or office responsible for developing and maintaining a written plan.

Scheduling Acquisition Planning

FAR 7.104

"Acquisition planning should begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which the contract award is necessary. In developing the acquisition plan, the planner should form a team consisting of all those who will be responsible for significant aspects of the acquisition, such as *contracting, budget, legal and technical personnel."*

1.9 Creating the Acquisition Plan—FAR 7.105

Content

FAR 7.105

The Acquisition Plan addresses all the technical, business, management, and other significant considerations that control the acquisition and identifies the milestones at which decisions are made. The specific content of a plan will vary, depending on the nature, circumstances, and stage of the acquisition.

Procedure for Creating an Acquisition Plan

A. Establishing Acquisition Background and Objectives

STEP:

1. **Introduce the plan by a brief statement of need.** Summarize the technical and contractual history of the acquisition. Discuss feasible acquisition alternatives and any related inhouse effort.

2. **State all significant conditions affecting the acquisition.** Such as:
   - requirements for compatibility with existing or future systems or programs
   - any known cost, schedule, and capability or performance constraint

3. **Set forth the established cost goals for the acquisition and the rationale supporting them, and discuss related cost concepts to be employed, including, as appropriate, the following items:**

   Life-cycle cost. Discuss how life-cycle cost will be considered. If it is NOT used, explain why. If appropriate, discuss the cost model used to develop life-cycle-cost estimates.

   Design-to-cost. Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning curve, and economic adjustment factors. Describe how objectives are to be applied, tracked, and enforced. Indicate specific related solicitation and contractual requirements to be imposed.

   FAR 15.810

   Application of should-cost. Describe the application of should-cost analysis to the acquisition (see FAR 15.810).

(continued on next page)

1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

Creating an Acquisition Plan (continued)

STEP:

4. **Specify the required capabilities or performance characteristics of the supplies or services being acquired and state how they are related to the need.**

FAR Subpart 12.1

5. **Describe the basis for establishing delivery or performance-period requirements** (see FAR Subpart 12.1). Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.

6. **Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.**

FAR Subpart 12.3

7. **Specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them** (see FAR Subpart 12.3).

FAR Subpart 15.7
FAR 10.002(c)

8. If specifically designated by the requiring agency as a program subject to acquisition streamlining, **discuss plans and procedures to:**
   - **encourage industry participation by using draft solicitations, presolicitation conferences, etc.**
   - **select and tailor only the necessary and cost-effective requirements**
   - **state the time frame for identifying which of those specifications and standards shall become mandatory (see FAR 10.002(c))**

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1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

Creating an Acquisition Plan (continued)

B. Plan of Action

STEP:

1. Indicate the prospective sources of supplies and/or services that can meet the need:

FAR Part 8
FAR Part 19 & 20

- Consider required sources of supplies and services (see FAR Part 8)
- Include consideration of small business, small disadvantaged business, and labor surplus area concerns (see FAR Part 19 & 20)

FAR Part 11

- Address the results of market research and analysis and indicate their impact on the various elements of the plan, if the acquisition or a part of it is for commercial or commercial-type products (see FAR Part 11)
- Address the extent and results of the market survey conducted or the reasons one was NOT or will NOT be conducted, if the acquisition or a part of it is for commercial or commercial-type products

2. Address competition:

FAR Part 6.302

- Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition.
  - If full and open competition is NOT contemplated, cite the authority in 6.302
  - Discuss the basis for the application of that authority
  - Identify the source(s)
  - Discuss why full and open competition CANNOT be obtained.
- Identify the major components or subsystems.
  - Discuss component breakout plans relative to these major components or subsystems.
  - Describe how competition will be sought, promoted, and sustained for these components or subsystems.
- Describe how competition will be sought, promoted, and sustained for spares and repair parts.
  - Identify the key logistic milestones, such as technical data and delivery schedules that affect competition.

(*2. Address competition* continued on next page)

1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

Creating an Acquisition Plan (continued)

STEP:

2. Address competition (continued)**:**

- Describe how such subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition when effective subcontract competition is both feasible and desirable.
  - Identify any known barriers to increasing subcontract competition and address how to overcome them.

FAR Subpart 15.6

3. *Discuss the source selection procedures for the acquisition, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the acquisition objectives. (see FAR Subpart 15.6)*

FAR Subpart 15.6
FAR Part 17
FAR Subpart 1.4
FAR Subpart 7.4
FAR Part 16

4. Discuss contract type selection for each contract contemplated. (see FAR Subpart 15.6)

- Use of multiyear contracting, options, or other special clauses, special contracting methods (see FAR Part 17)
- Any special clauses, special solicitation provisions, or FAR deviations required (see FAR Subpart 1.4)
- Whether negotiation will be used and why
- Whether equipment will be acquired by lease or purchase and why (see FAR Subpart 7.4)
- Any other contracting considerations

FAR Subpart 32.7

5. Describe how budget estimates were derived and discuss the schedule for obtaining adequate funds at the time when they are required (see FAR Subpart 32.7)

FAR Part 10

6. Explain the choice of product description types to be used in the acquisition, in accordance with FAR Part 10.

FAR Subpart 12.3

7. Specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them when they apply. (see FAR Subpart 12.3)

(topic continued on next page)

1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

STEP:

FAR Subpart 7.3

8. Address the consideration given to OMB Circular No. A-76 (see FAR Subpart 7.3).

9. Discuss, as appropriate, what management system will be used by the Government to monitor the contractor's effort.

FAR Subpart 15.7

10. Discuss any consideration given to make-or-buy programs (see FAR Subpart 15.7).

11. To the extent applicable, describe the test program of the contractor and the Government. Describe the test program for each major phase of a major system acquisition. If concurrency is planned, discuss the extent of testing to be accomplished before production release.

FAR Subpart 7.3
FAR Part 11
FAR Part 46
FAR Part 27

12. Describe—

- The assumptions determining contractor or agency support, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing (see FAR Subpart 7.3) and distribution of commercial products (see FAR Part 11);
- The reliability, maintainability, and quality assurance requirements, including any planned use of warranties (see FAR Part 46); and
- The requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data (see FAR Part 27).
- Standardization, including the necessity to designate, in accordance with agency procedures, technical equipment as "standard" so that future purchases of the equipment can be made from the same manufacturing source.

FAR Part 45

13. Indicate any property to be furnished to contractors, including material and facilities. Discuss any associated considerations, such as its availability or the schedule for its acquisition (see FAR Part 45).

(topic continued on next page)

1.9 the Acquisition Plan—FAR 7.105 (continued)

Creating an Acquisition Plan (continued)

STEP:

14. Discuss any Government information such as manuals, drawings, and test data, to be provided to prospective offerors and contractors.

15. Discuss environmental issues associated with the acquisition, the applicability of an environmental assessment or environmental impact statement (see 40 CFR 1502), the proposed resolution of environmental issues, and any environment-related requirements to be included in solicitations and contracts.

FAR Subpart 4.4

16. Discuss how adequate security will be established, maintained, and monitored for acquisitions dealing with classified matters. (see FAR Subpart 4.4).

17. Discuss, as applicable, energy conservation measures, standardization concepts, the industrial readiness program, the Defense Production Act, the Occupational Safety and Health Act, foreign sales implications, and any other matters germane to the plan not covered elsewhere.

18. Address the following milestones and any others appropriate:

- Acquisition plan approval.
- Statement of work.
- Specifications.
- Data requirements.
- Completion of acquisition-package preparation.
- Purchase request.
- Justification and approval for other than full and open competition where applicable and/or any required D&F approval.
- Source Selection Plan
- Issuance of synopsis
- Issuance of solicitation
- Evaluation of proposals, audits, and field reports.
- Beginning and completion of negotiations.
- Contract preparation, review, and clearance.
- Contract award.

(topic continued on next page)

1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

Creating an Acquisition Plan (continued)

STEP:

19. List the individuals who participated in preparing the acquisition plan.

Example, a list of individuals is important for purposes of procurement integrity maintenance.

1.10 Phase 2—Solicitation

Introduction

Once the requirement is clearly defined, the source selection plan has been approved and funding is verified, then the contracting activity accepts the requiring activity's **purchase request (PR)** and moves on to the second phase of the selection process—solicitation.

Request for Proposal (RFP)

After the purchase request has been accepted, the contracting activity prepares the solicitation document—the **Request for Proposal (RFP)**.

Because of the many *requirements* set forth in the statutes and regulations, the RFP is reviewed, in accordance with the agency procedures.

Competition in Contracting Act—Mandated Requirement Before Release of RFP

The **Competition in Contracting Act (CICA)** requires competition "to the maximum extent practicable" and mandates that a synopsis of the requirement appear in the Commerce Business Daily (CBD) at least 15 days prior to issuance of the solicitation.

1.11 Phase 3—Evaluation

Initial Screening	After receipt of offers, the CO validates that each proposal meets the solicitation's format and content requirements. Some proposals may be eliminated—these are proposals that require revisions so extensive that they would result in a new proposal.
Evaluation of Proposals	After initial screening of the proposals by the CO, the proposals are assigned for evaluation and the TET evaluates in accordance with the criteria and standards set forth in the Source Selection Plan. The TET does NOT evaluate one proposal against another. The SSEB, if used in the acquisition, reviews the findings of the TET and ranks or rates the proposals. The SSEB may evaluate one proposal against another. The evaluation is based solely on the criteria and standards of the source selection plan and the solicitation. Audits and field reports may be used by the SSEB to determine the strengths and weaknesses of the offerors' proposals.
Seeking Clarification	The SSEB may seek clarification during this phase through the CO.
Procurement Integrity	Critical to this phase also are the Procurement Integrity Rules regarding the offeror's "proprietary information" and the Government's "source selection information." Security of the proposals and any other source selection documentation is very important.

1.12 Phase 4—Selection and Award

Two Options for Selection and Award

The SSA has two options in this phase:

1. to award on the basis of the initial proposal, WITHOUT discussion.

2. to establish a competitive range after discussions whereby all those who have a reasonable chance for award are given an opportunity to revise their proposals in a Best and Final Offer (BAFO)

Option 1—Award on Initial Proposal

After evaluation of proposals, if the SSA chooses to award on the basis of the initial proposal, the selection is made and submitted for the appropriate agency review. The unsuccessful offerors are notified and provided debriefings if requested in writing.

Option 2—Establish a Competitive Range

If a competitive range is determined, then oral and/or written discussions are held with all those in the competitive range.

During discussions, the Government SHALL NOT:

- conduct technical leveling
- conduct technical transfusion
- use auctioning techniques

The contracting officer determines offerors outside the competitive range and debriefings are provided after award if requested in writing.

The SSEB evaluates the BAFO and the results are presented to the SSA in a decision briefing.

Awarding the Requirement

Once the SSA makes the selection, the appropriate agency officials review the decision and approve the award.

Unsuccessful offerors are notified and provided a debriefing if they request it in writing

SUMMARY

This chapter summarizes the federal acquisition process and the important part that source selection plays. It further defines the roles of the participants and lays out the procedures for a successful source selection.

The next chapter discusses the Source Selection Plan in detail.

CLO 1/1, Define Source Selection.

Situation: A new intern has just been assigned to assist you during the summer months, as part of a new Government program intended to provide meaningful employment to students. This young person is extremely bright, but has no experience in contracting, and is full of questions. She is happy to learn that you are supposed to be the most knowledgeable and helpful person in the office and begins to ask you many questions about the work your office does.

First Task Her first question is "Please tell me what is source selection?" What is your response?

PRACTICAL EXERCISE

CLO 1/2, State the Purpose and Goals of Source Selection.

Second Task: Her second question is: "What is the basic purpose and the goals of source selection; what are the related functions; what is it all about?" What is your answer.

CLO 1/3, Describe the process and functions as they relate to Source Selection.

Third Task: Explain to the young intern the basic approaches to source selection.

CHAPTER 2

SOURCE SELECTION PLAN

Chapter Vignette

As he reviewed the references on source selection, John was impressed at how often different authors stressed the importance of thorough acquisition planning and a detailed source selection plan. It was becoming clear that the source selection plan would be the "blueprint" for a successful acquisition. He went through the files, looking for recent examples of source selection plans. He was rather surprised to find a great variance in the size, scope and detail of the plans he examined. Clearly, there was a problem of consistency in the agency about how a source selection plan should look. He asked his supervisor Marcia, for some help. She selected one plan from the stack on his desk. "Here," she said. "Review this plan. It was done last year and it is the best I have ever seen. You will see that it is very clear and explains the reasoning behind every recommendation and decision. Unfortunately, the persons who worked on this procurement are no longer in this office, but after you review the plan, you can call them. I'll also be glad to help."

Course Learning Objectives

In this Chapter

At the end of this chapter, you will be able to:

1. Recommend to the source selection authority (SSA) an organizational structure for the formal source selection, including the Source Selection Evaluation Board, technical evaluation panel, cost evaluation panel, and, if required, advisory council. Define the roles and responsibilities of each organizational unit.

2. Determine whether to release the proposals outside the Government for evaluation and, if the proposals are to be released outside the Government for evaluation, the procedures to be followed.

3. Draft a formal source selection plan.

4. Incorporate evaluation factors and proposal preparation instructions into sections L and M of the RFP.

Chapter Overview

Introduction

The Source Selection Plan (SSP) is crucial to the RFP and the entire source selection process. Therefore, a well-written SSP takes time and is essential.

Topics in This Chapter

This chapter includes the following topics:

SECT.	TITLE	PAGE
2.1	Beginning the Source Selection Plan	2-4
2.2	Organizing and Staffing for the Source Selection Evaluation Board	2-6
2.3	Releasing Proposals for Evaluation	2-9
2.4	Drafting the Source Selection Plan	2-10
2.5	Incorporating the Source Selection Plan in the RFP	2-14

2.1 Beginning the Source Selection Plan

Purposes of a Source Selection Plan

The SSP has the following purposes:

- It specifies the Government's approach for soliciting and evaluating proposals.
- It provides the recommended source selection organizational structure to the Source Selection Authority (SSA)
- It designates the persons who will perform the evaluation.
- After approval by the SSA, it is the "charter" which the SSEB and contracting officer will follow.

References

Assemble and check the following key references before you begin to develop the SSP:

- FAR 3, 15.612, and 19.705-2
- Agency, Department, or local source selection guidance
- The Specifications or Statement of Work (SOW) explaining the characteristics of supplies or services to be procured
- Acquisition histories or files on these supplies or services
- Findings of any previous market research (if applicable)
- The Independent Government Estimate (IGE)
- Any special guidance received from the SSA
- Acquisition plan (if one exists)

(continued on next page)

2.1 Beginning the Source Selection Plan (continued)

Required Actions

Before starting, there are several things you MUST remember about the development of the SSP:

- ALLOW SUFFICIENT TIME for development of the SSP and solicitation.
- Do NOT issue the solicitation until the SSP has been prepared and approved. Use the SSP to develop the solicitation.
- Have the evaluators help develop the SSP and review the solicitation.
- If you are the chairperson of the SSEB, you may also have to train members who have never before served on a SSEB.
- Determine as early as possible whether you will require special expertise outside the Government to help evaluate the proposals.
- Obtain Procurement Integrity Certifications from participants in the acquisition.

2.2 Organizing and Staffing for the Source Selection Evaluation Board

Organizing and Staffing

Normally the Contracting Officer is the Source Selection Authority (SSA) except in more complex acquisitions in which a higher official is designated. In that case evaluators, boards, or advisory committees may be used.

Recall that the organizing and staffing of the Source Selection Evaluation Board (SSEB) begins with the Source Selection Authority (SSA). The SSA appoints the SSEB. However, as a contracting officer, you may be required to recommend the organizational structure to the Source Selection Authority. This may include the following:

- the individual members of the SSEB
- members of special technical evaluation panels (if applicable) or teams
- members of the price/cost evaluation panel
- members of the Source Selection Advisory Council, if employed
- any additional advisors

FAR Part 3

The SSEB will assist in developing the SSP. The SSEB should include:

- As many members as necessary, however, caution should be used in having too many.
- Contractor personnel may be used as advisors and evaluators. However some agencies prohibit this practice.
- If you require contractors as advisors, make sure there is NO conflict of interest. These advisors may NOT be involved in the decision-making process.
- Preferably, persons with prior SSEB experience and the skills consistent with the complexity of the acquisition. If such persons are not available, the SSEB chairperson must train the members.

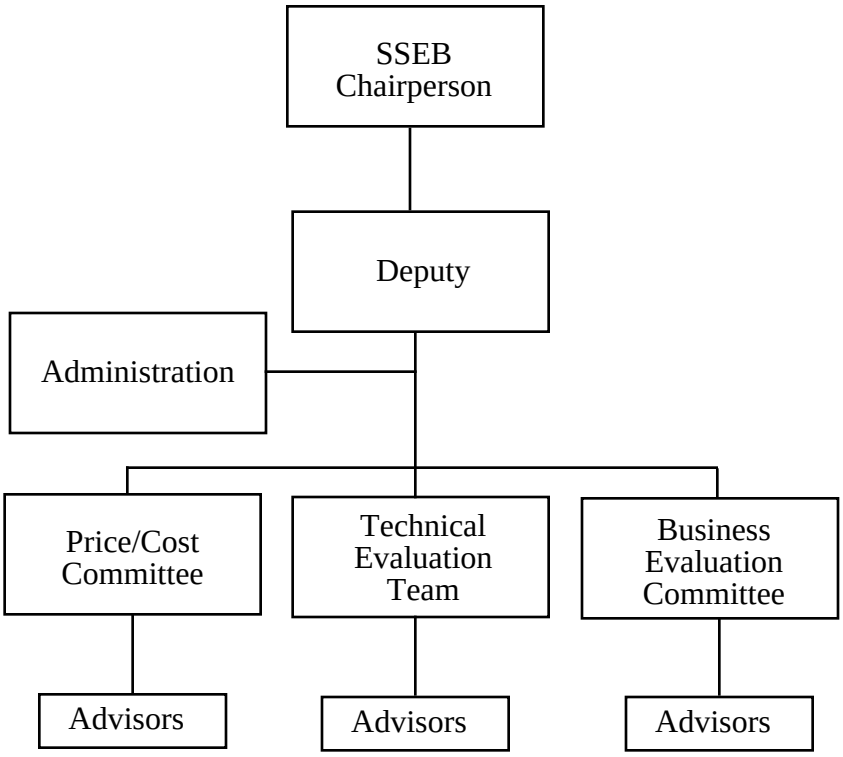
(continued on next page)

2.2 Organizing and Staffing for the Source Selection Evaluation Board (continued)

Organizing and Staffing

The following graphic shows one organizational structure for a “typical” source selection evaluation board.

TYPICAL ORGANIZATIONAL STRUCTURE FOR A SSEB



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2.2 Organizing and Staffing for the Source Selection Evaluation Board (continued)

Organizing and Staffing

Checklist for Organizing and Staffing

The following checklist specifies the actions you should follow in organizing and staffing the SSEB.

___ 1. Make sure that each SSEB member understands that SSEB duties take precedence over any other duties.

___ 2. Determine if any member CANNOT be part of the SSEB due to an actual or potential conflict of interest. If so, notify the SSA and obtain a replacement.

___ 3. Determine if the SSEB members have the adequate expertise consistent with the complexity of the acquisition.

___ 4. If there are any outside advisors, explain their roles. Clarify any committee reporting requirements.

___ 5. Brief the members to ensure that they understand the requirements for nondisclosure and confidentiality. Inform all members of the arrangements for retrieving, marking, holding, storing, and returning documents connected with the source selection and execute the appropriate procurement integrity certifications.

___ 6. Inform all members that all communications connected with the source selection and intended for anyone outside the SSEB will be routed through the Chairperson.

___ 7. Make necessary arrangements for a suitably large workplace (such as a conference room) which can accommodate all source selection members at the same time and allows for a large number of documents to be spread out and examined and secured when not in use.

___ 8. Explain the necessary arrangements for the required administrative support.

___ 9. Ensure members understand the milestones associated with the project.

2.3 Releasing Proposals for Evaluation

Security of Proposals

FAR 3.104
FAR 15.413

As you write the SSP, remember that on some complex solicitations, you might determine very early that you will need outside assistance to evaluate proposals. However, you may NOT release source selection information to anyone outside the Government for evaluation, except as authorized by the FAR. This means that your plan MUST ensure that proper evaluation can be done with the resources available.

Authority to Transmit Information

As a general rule, only the contracting officer, or those superiors having contractual authority may transmit technical information and conduct discussions with prospective contractors.

Occasions Authorizing Proposal Release

However, as the agency's implementing regulations permit, you may release proposals outside the Government for evaluation only when:

1. Authorized by the head of the agency.
2. Identified in the RFP that non-government personnel may be used and may have access to the offerors' proposals.
3. The outside evaluator agrees in writing to use the data only for evaluation and will NOT further disclose it.
4. Any restrictive legends applied by the offeror and Government are followed.
5. All copies and abstracts are returned to the Government after evaluation.
6. Release outside the Government avoids conflict of interest and takes into consideration organizational conflicts of interest.

2.4 Drafting the Source Selection Plan

Source Selection Plan Outline

It is sometimes helpful to prepare an outline before writing the plan. The following includes the type of information you would collect.

Sample Source Selection Plan Outline

SOURCE SELECTION PLAN OUTLINE

Source Selection of _____

1. Description of property or service to be acquired.

2. Description of organizational structure, including:
   (a) Duties of the SSA
   (b) Duties of the SSEB.

3. Proposed presolicitation activities.

4. A summary of the acquisition strategy.

5. A statement of the proposed evaluation factors including technical/business and price or cost, and their relative importance.

6. A description of the evaluation process, methodology, and techniques to be used, including evaluation standards.

7. A schedule of significant milestones, such as:
   - Release of the RFP
   - Date Proposals due
   - Date Evaluation Starts
   - Date Evaluation Completed
   - Competitive range determination
   - Discussions
   - BAFOs
   - SSEB Briefs SSA on Findings and Evaluation
   - SSA Decision Due
   - Contract Review
   - Execution/Award

(Outline continued on next page)

2.4 Drafting the Source Selection Plan (continued)

Sample Source Selection Plan Outline (continued)

SOURCE SELECTION PLAN OUTLINE
(continued)

8. A conflict of interest form
9. Procurement Integrity Certificates
10. Non-disclosure forms
11. Provision for a secure meeting place.

(continued on next page)

2.4 Drafting the Source Selection Plan (continued)

Overview of Source Selection Plan Contents

Make sure that the SSP contains the following:

- A clear and concise description of the supply or service to be acquired. Remember that the description must be consistent with the acquisition plan, including the scope, estimated contract dollar amount, and period of performance.

- An organizational chart showing the relationships among the SSA, SSEB, contracting officer and any other key participants, their duties and responsibilities and names. You can also use a flow chart or matrix table for this purpose.

- A summary of the acquisition strategy including the type of contract (i.e. FFP, CPFF, CPIF, etc.) and any special features to be included in the contract. Also include a brief rationale as to why this acquisition strategy is recommended.

- A statement of the evaluation factors and subfactors, their relative importance to one another, a description and standards for evaluation of each factor, and method of evaluation, i.e., by score, adjective rating, color coding, etc. (You develop this information when you create the evaluation criteria. See the next chapter.)

- A description of the evaluation process, methodology, and techniques to be used, (i.e., “best value” or “lowest price technically acceptable proposal”), manner by which the evaluators will express judgements and the standard for assigning each judgement (numerically, adjective or some combination). If you conclude that you will require non-Government evaluators, provide full justification.

- A milestone schedule.

(continued on next page)

2.4 Drafting the Source Selection Plan (continued)

Approval by SSA	Once the SSP is completed, it must be approved by the SSA. This can be a difficult and lengthy task. This may include one or more briefings on the work in progress of the SSP (prior to completion) for the SSA. In particular, you should notify the SSA if you are having difficulty developing the evaluation factors or obtaining access to technical experts, such as outside advisors.

2.5 Incorporating the Source Selection Plan in the RFP

General

It is important for certain key information from the source selection plan to be incorporated into sections L and M of the Request for Proposals (RFP). It is more important to remember that the evaluation to be conducted MUST be consistent with the evaluation information contained in the RFP in sections L and M. Therefore, the source selection plan and information incorporated into sections L and M MUST be consistent for evaluation purposes. The elements of the SSP which you MUST incorporate are:

- A clear, concise description of the supply or services required by the Government.
- The type of contract (FFP, CPFF, CPIF, T&M or other).
- The evaluation criteria, including an explanation of either the “best value” or “lowest price technically acceptable proposal” approach.
- Evaluation factors and subfactors. This includes both qualitative and quantitative factors, usually explained in descending order of importance (only applicable in best value approach) .
- Pricing information (unless there is no cost to the Government).
- Instructions to the offeror on preparing, formatting, packaging and submission.

Incorporate into Section L

You MUST explain in Section L of the RFP:

- the methods by which the offerors will submit their proposals (proposal instructions).
- the requirements to specifically address those areas that you will evaluate and score or rate during source selection.

(continued on next page)

2.5 Incorporating the Source Selection Plan in the RFP (continued)

Incorporate into Section M

You MUST explain in Section M of the RFP the relative importance of the evaluation factors and significant subfactors, including:

- price or cost.
- technical (including business and management).

In Section M, you are NOT required to disclose the actual weights that will be used for ranking the factors, but you MUST use language that will properly inform offerors of the evaluation factors and significant subfactors for the award and the way the source selection will be made. Remember disclosing any weights is NOT prohibited; however, it is NOT recommended. If you want good proposals you should give the offerors some indication of which factors are more important than others so they can propose accordingly. Our objective is to get a quality commodity or service for the Government, NOT to make the offerors have to guess at what we want. Therefore, your evaluation criteria must be clearly presented in Section M.

SUMMARY

By this point you have completed the SSP and submitted it for review by the SSA. Once the SSA approves the SSP, it becomes the "charter" for the process. The solicitation will incorporate much of the information that was developed in the SSP. After the SSP is approved, you are ready to brief the technical evaluators. Remember, before you can complete the SSP, you MUST include the evaluation factors. Development of the evaluation factors is discussed in the next chapter.

CLO 2/1 Recommend to the source selection authority (SSA) an organizational structure for the formal source selection. Define the roles and responsibilities of each organizational unit.

Situation: You are the contracting officer for an acquisition to obtain 500 color printers to upgrade desktop publishing and training materials development throughout your agency. You have the following information available from previous research. There are 4 competing technologies:

- The oldest and lowest priced is dot matrix. It has the advantage of speed (7 pages per minute) and lowest cost for both initial purchase (less than $1,000 per printer) and per page cost (2 cents per page). There are 11 known manufacturers.
- Another old intermediate technology is so-called "hot wax" which is very slow (3 minutes per page). It costs from $3,000 to $7,500 per printer, but has a per page cost of 5 cents per page. The advantage of hot wax technology is that it produces the most brilliant colors. There are 7 known manufacturers.
- A newer technology is ink-jet color printing ® which is patented and produced by only one company. Ink jet color printing is comparatively fast, producing 5 pages per minute. Unit costs are $4,800 per printer, and per page costs are 5 cents.
- The newest technology is color laser printing which has a unit cost of $5,000 - $8,000 per printer and a per page cost of 4.5 cents–6 cents per page. Laser color printers print at a rate of from 2–6 pages per minute, depending on the model. There are 3 known manufacturers.

The field of color printing technology is advancing rapidly, with a reduction of approximately 5% per year in the per page printing costs.

The acquisition must be completed within 6 calendar months.

Task: The Source Selection Authority has decided that the size and difficulty of this acquisition justify the creation of a source selection evaluation board. Given only this information, recommend the composition of the SSEB, and, if necessary, the technical evaluation panel and advisory board. Define the roles and responsibilities of each organizational unit. Be specific. (Use space provided on next page.)

PRACTICAL EXERCISE

(Page provided for answer to previous exercise)

CLO 2/2, Determine whether to release proposals outside the government.

Situation: You are the Chairperson of a SSEB concerned with evaluation of proposals for the selection of a new electronic document imaging system which will be integrated into an existing office network computer system. The new imaging system will permit almost instant access from all terminals to many types of supply, transportation, and warranty documents in the requiring activity which are now stored in paper or microfiche files. It is estimated that the integration and conversion to this system will require 24 months, due to the complexity of the system integration and the huge number of documents to be scanned into the system memory.

One major concern is that the new system integrate smoothly with the existing equipment (hardware and software) with minimum changes and disruption. Therefore, the offeror's technical approach must include a comprehensive systems integration plan, which is expected to be very complex. However, the evaluation of this plan is causing some worry to the SSEB members. For this reason, it has been suggested that the contractor who designed, installed, and maintains the existing network of equipment be retained to assist in the evaluation of proposals. The SSEB members are unanimous in their judgment that they do not have the necessary skills or knowledge to technically evaluate the merits of the various proposals for overall system integration. They wish to call in the present contractor as soon as possible to help in the evaluation and to provide advice.

Task: As Chairperson, what are your actions and comments?

PRACTICAL EXERCISE

CLO 2/3, Draft a Formal Source Selection Plan

Situation (Continued): You are still the Chairperson of the SSEB preparing a Source Selection Plan (SSP) for selection of a document imaging system. The board members have completed the first draft of the SSP. The attached materials are extracted from that SSP.

Task: Read and critique the attached extract from the draft SSP. Given only this information, what changes, if any, are needed? Be specific.

—Draft—

SOURCE SELECTION PLAN

Source Selection of a Document Imaging System.

1. Description of property or service to be acquired. The purpose of this Source Selection Plan is to provide the information necessary to determine the most advantageous offer to the Government for the selection of a document imaging system. The document imaging system must be capable of retrieving black and white or original full color images of stored documents in the agency's central automated repository (CAR) concerning transactions in supply, transportation and warranty activities. This will include images of scanned documents that were generated by this agency and other Government and non-Government activities, such as vendors, manufacturers, commercial transportation companies and freight forwarders. The acquired document imaging system must be compatible with existing hardware (computers and peripherals) and software installed and maintained by the Vixen Electronics Corporation as of the date of contract award.

2. Description of organizational structure.

   (a) Duties of the Source Selection Authority (SSA) and Source Selection Evaluation Board (SSEB). The SSA shall appoint all members of the SSEB, review recommendations, reports and evaluations of the SSEB and make the final selection of the most advantageous offer received by the Government. The SSEB shall research all documents related to this acquisition, prepare the Source Selection Plan (SSP), recommend the most advantageous acquisition strategy, prepare the Request for Proposal (RFP) including the evaluation factors, receive and evaluate all offers as to technical merit, and provide to the SSA a rank order listing of the most advantageous offers.

   (b) Nominations for staffing. Based on the special requirements of this acquisition, the following persons are nominated for duties as evaluators of offeror proposals.

   - Ms. Leona Farr. She is the present system administrator for the existing local area network (LAN) installed and maintained by the incumbent contractor, Vixen Electronics. She is most familiar with the operation, requirements, capabilities and limitations of the present system and served as the contracting officer's technical representative during the installation phase.

   - Mr. David Copperfield. He is the administrator of the Central Automated Repository, where all paper versions of the documents will be electronically scanned. He is the one person most familiar with the work load requirements to accomplish the scanning effort in the two years following contract award, installation, and system compatibility testing.

   - Ms. Pamela Dawn Jablonski. She served twice as a member of a SSEB on similar acquisitions for the Department of Justice and the Department of Defense. She is probably the most experienced person available for evaluation of this type of acquisition.

(continued on next page)

PRACTICAL EXERCISE

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- Mr. Nelson Eddy. He previously worked at the requiring activity and wrote the original technical requirement for this acquisition two years ago. He is thoroughly familiar with the project and also helped develop the "should cost" data.

- Mr. Waldo Emerson. He worked for the past three years as an instructor at the General Services Administration Federal Acquisition Institute and is the primary author of the recent booklet entitled "Source Selection - Lessons Learned."

3. Proposed Presolicitation Activities. The major presolicitation activities proposed for this acquisition include:

   (a) Assembling and briefing the SSEB as soon as possible. (Note the tight milestone schedule).

   (b) Meeting with the requiring activity and refining the requirement, to include the development of all technical preformance specifications, and development of a contract data requirements list. This may include a requirement for an engineering survey.

   (c) Determine most appropriate acquisition strategy.

   (d) Development of the Statement of Work (SOW), the evaluation factors and standards.

4. Summary of the acquisition strategy. A phased "best value" acquisition strategy is proposed for this acquisition. This is based on the special requirements for document security, the inability to fully predict the level of effort required to scan archived documents, recent experience of other Government agencies on similar procurements, and the overall level of risk connected with this acquisition. For these reasons, a "cost plus incentive" approach may be most appropriate to complete all phases of the project within two years.

5. Proposed evaluation factors. The following evaluation factors have been proposed for this acquisition:

   (a) Technical approach, including systems integration (most important)

   (b) Management plan (second most important)

   (c) Demonstrated experience on similar projects (third most important)

   (d) Cost (considered separately)

CLO 2/4 Incorporate evaluation factors and proposal submission instructions into Sections L and M of the RFP

Situation: A requiring activity has an urgent need for the development of training for engineering personnel to upgrade their ability to rate load and resistances on bridges. The specific requirements include:

(1) a training curriculum and all necessary training materials for a 5-day training course on "Load and Resistance Factor Design (LRFD) for highway bridges, and

(2) up to nine regional pilot promotional training courses and revision/updating of training materials, followed by

(3) up to 60 course presentations to Federal personnel throughout the nation.

The following materials have been extracted from the source selection plan for this procurement and included in Sections L and M of the Request for Proposal.

Task: Review the attached documents and determine whether the information from the source selection plan has been appropriately integrated into Sections L and M of the RFP.

PRACTICAL EXERCISE

EXTRACT FROM SOURCE SELECTION PLAN FOR THE ACQUISITION OF "LOAD AND RESISTANCE FACTOR DESIGN (LRFD)" TRAINING FOR HIGHWAY BRIDGES.

Source Selection Plan

Source Selection of "LOAD AND RESISTANCE FACTOR DESIGN (LRFD)" TRAINING FOR HIGHWAY BRIDGES.

1. Description of property or service to be acquired. This acquisition concerns the development of training for engineering personnel to upgrade their ability to rate load and resistances on bridges. The specific requirements include:

   (a) a training curriculum and all necessary training materials for a 5-day (40 hour) training course on "Load and Resistance Factor Design (LRFD)" for highway bridges, and

   (b) up to nine regional pilot promotional training courses and revision/updating of training materials, followed by

   (c) up to 60 course presentations to federal personnel throughout the nation, with class size not to exceed 25 persons.

2. Description of organizational structure:

   (a) Duties of the Source Selection Authority (SSA) - The Source Selection Authority will make the final determination as to the offeror which has the offer considered to be most advantageous to the Government. In addition, the SSA will appoint by name those members of the Source Selection Evaluation Board (SSEB). The SSA will receive briefings from the SSEB and provide any necessary guidance for the work of the SSEB. The SSEB members, operating as a group, will:

   - Review and recommend, as needed, any changes to the Acquisition Plan documents for this acquisition. This will include a review of the acquisition strategy proposed for this acquisition.

   - Develop this Source Selection Plan (SSP) and all supporting documents, and brief the SSA and other designated key personnel, including the legal counsel, on the highlights of the SSP, to include the proposed methodology for the evaluation of offers.

   - Develop the appropriate information for the sections or the Request for Proposal (RFP), particularly Sections L and M.

   - Receive, secure, store and evaluate all offers received in accordance with the evaluation factors proposed. This will include the determination of any requirements for requesting clarifications from offerors.

   - Support, as needed, the conduct of negotiations with any offerors, and document those discussions.

(continued on next page)

- Provide to the SSA a briefing explaining the findings of the evaluation, and providing any appropriate recommendations.

- Provide, as needed, any support to the debriefing conducted by the Contracting Officer to those unsuccessful offerors who may request a debriefing.

(b) Nominations for staffing of the SSEB:

- Mr. Robert E. Hawarth. Mr. Hawarth is a qualified civil engineer and is familiar with the present standards for the rating of load and resistance factors on bridges. He has served on three separate committees devoted to the upgrading of various aspects of skills training for Federal engineering personnel over the past several years. He assisted in the development of the statement of need for this acquisition and is thoroughly familiar with this requirement.

- Dr. Eleanor S. Bond. Dr. Bond has a doctoral degree in adult education and has been a member of several source selection boards for the acquisition of training services in the past year. She wrote the guidelines for the validation of contractor-provided training materials used in several recent acquisitions.

- Mr. Timothy P. O'Keefe. Mr. O'Keefe has a bachelor's degree in civil engineering and was the contracting officer's technical representative for a two-year period for the acquisition of similar services while he was in the Air Force. That particular acquisition concerned load and stress ratings for airfield runways, but some of the principles are quite similar.

3. Proposed presolicitation activities:

(a) Review of all aspects of the Acquisition Plan.

(b) Research of similar or related projects and acquisitions.

(c) Obtain/review copies of model procurements from your office.

(d) Develop characteristics of "ideal offeror."

(e) Develop listing of most likely offerors.

(f) Develop and refine (as needed) the acquisition strategy.

(g) Develop the evaluation factors.

(h) Brief the SSA and make any necessary changes to this SSP.

(i) Develop the Request for Proposal.

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PRACTICAL EXERCISE

PRACTICAL EXERCISE

4. Summary of acquisition strategy. The Government is not able to predict with certainty the number of classes that will be required, and the level of effort required for the development of such training until it meets the approval of nine different regions is also a problem. In addition, it is crucial that all the training be completed within a six month period. For these reasons, it is proposed that the contract be a “Cost Reimbursement” type contract. However, it is possible to request a firm fixed price for the pilot presentations and the final course presentation, since these can be estimated with certainty.

   Since this type of effort will require considerable expertise in both civil engineering and training development, there is some risk to the Government if any restrictions are placed on the acquisition which might bar qualified offerors. For this reason, it is recommended that this not be a small business set-aside.

5. Proposed Evaluation Factors:

   (a) Technical

   - Offeror’s demonstration of sufficient resources to complete the contract requirements satisfactorily and on schedule. This should include recent practical experience of the principal instructor in bridge design using the American Associations of State Highway and Transportation Officials Standard Specifications for Highway Bridges. This should also include familiarity with the new LRFD method and recent relevant experience in the development of training for practicing highway engineers.

   - Offeror’s demonstration of technical competence and organization. This must include effectiveness and completeness of the technical proposal in illustrating the offeror's understanding of bridge design and how the new specifications will impact the future design of future bridges. It must also include the effectiveness of the technical¸ proposal in demonstrating the offeror’s ability to produce clear, informative and easy to understand training material, and also demonstrate an understanding of the training objectives and how the training materials will meet those objectives.

   (b) Cost.

   - In addition to the technical criteria, the relative cost must be considered in the award decision. Cost/price proposals should be analyzed to assess cost realism and probable cost to the Government. The proposed costs should be subject to adjustment, for the purpose of evaluation, based upon the results of the cost realism assessment.

   (c) Past Performance.

   - Past performance should be reviewed to make sure that the offeror has relevant and successful performance and should be considered in the ultimate award decision. Past performance will not be scored.

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Of the three factors discussed here, technical and cost should be the most important, with technical and cost factors being equal. Past performance should be considered as less important than either technical or cost.

6. Evaluation Process. Upon receipt, all proposals will be logged in and the technical proposals will be separated from the cost proposals. All cost proposals will be evaluated separately by personnel other than the technical evaluators named above.

   The technical evaluation will first consider "past performance" separately. Any offer which does not satisfy the requirement for this factor will be considered as not responsive and will be removed from further consideration.

   The technical evaluators will then evaluate the first technical requirement, "demonstration of sufficient resources to complete the contract requirements satisfactorily." This will first include an evaluation of the recent practical experience of the principal instructor in bridge design using the American Associations of State Highway and Transportation Officials Standard Specifications for Highway Bridges and familiarity with the new LRFD method.

   The technical evaluators will then evaluate the second part of this first technical requirement, "recent relevant experience of the principal instructor and other professionals in developing and teaching short courses for the purpose of training practicing highway engineers." The estimated level of effort of each staff member will be considered.

   The technical evaluators will then evaluate the second technical factor, the "offeror's demonstration of technical competence and organization." This will include evaluation of the following in sequence:

   - Effectiveness and completeness of the technical proposal in illustrating the offeror's understanding of bridge design and how the new specifications will impact the future design of highway bridges .
   - Effectiveness of the technical proposal in demonstrating the offeror's ability to produce clear, informative and easy to understand training material.
   - Effectiveness of the technical proposal in demonstrating an understanding of the training objectives and how existing training materials will be used to meet those objectives

7. Significant milestones:

   - January 15, Approval of SSP by the SSA.
   - February 15, Release of RFP.
   - March 15, Proposals Due and Evaluation Starts.
   - April 15, Evaluation Completed and Source Selection Briefing for SSA.
   - April 20, SSA Decision Due.
   - May 7, Contract Review.
   - May 20, Execution/Award.

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PRACTICAL EXERCISE

PRACTICAL EXERCISE

8. Conflict of Interest Form (detached from this copy).

9. All meetings of the SSEB will take place in the main conference room in the Federal Building. This location includes facilities for securing all documents.

SECTION L –INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

(please show the RFP number and closing date on the forwarding envelope)

NOTE: In the past, nonuniformed couriers could deliver sealed bids or offers directly to Room 4410. Nonuniformed couriers are messengers who are not dressed in a uniform bearing their organization's name and often do not possess official identification. Special security procedures have been instituted which prohibit nonuniformed couriers from delivering material directly to offices in the Nassif building The guard will accept the material, dismiss the courier, and then the material will be examined prior to being delivered to Room 4410 through the normal Nassif Building mail delivery procedures. The delivery of sealed bids or offers to Room 4410 will take longer than it did when nonuniformed couriers could make direct deliveries. Offerors planning to use such couriers should make allowances for these new procedures in order to assure that offers arrive at Room 4410 on time. Bids/offers must be received in Room 4410 to be considered timely, not just delivered to the Nassif mail room. To assist in expediting delivery after the guard accepts a bid/offer, the outside of the envelope/package containing the offer should be marked with the completed Form DOT F 4220.35, "Important Notice to Offeror" provided with the solicitation.

NOTE: As prescribed by 52.215-16, the Government may award a contract on the basis of initial offers received, without discussion. Therefore, each initial offer should contain the offeror's best terms from a price and technical standpoint.

NOTE: With respect to The Procurement Integrity Act requirements regarding "proprietary information," your attention is directed to FAR 3.104-4(j)(1),(2),(3), for the definition of "proprietary information" and a discussion of the marking of such information (see also provision 52.2115-12 below), and to FAR 3.104-5 for a discussion of the disclosure of that information.

NOTE: Facsimile bids/proposals will not be considered for this solicitation.

52.215-12 RESTRICTION ON DISCLOSURE AND USE OF DATA (APR 1984)

Offerors or quoters who include in their proposals or quotations data that they do not want disclosed to the public for any purpose or used by the Government except for evaluation purposes, shall—

(a) Mark the title page with the following legend:

"The proposal or quotation includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to this offeror or quoter as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets _____ (insert numbers or other identification of sheets)"; and

(continued on next page)

PRACTICAL EXERCISE

PRACTICAL EXERCISE

(b) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

(End of provision)

52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates awarding a cost reimbursement contract from this solicitation for Tasks A, B, C, D, F and H. However, a firm fixed price for the pilot presentations (Task G) and the course presentation (Task E) is anticipated.

This requirement is not a small business set-aside.

52.219-22 SIC CODE AND SMALL BUSINESS SIZE STANDARD (JAN 1991)

(a) The standard industrial classification (SIC) code for this acquisition is 8732.

(b) (1) The small business size standard is an average annual gross revenue of $3.5 million for the last 3 fiscal years.

(2) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(End of provision)

SUBCONTRACTING PLAN

As prescribed by FAR 52.219-9, if the total contract price is expected to exceed $500,000, the offeror shall include a statement in its offer relative to subcontracting opportunities under the proposed contract.

The offeror shall state that there will be subcontracting, or that the offeror has determined that all work will be done in-house. If there will be subcontracting opportunities, the offeror shall submit with its proposal, a subcontracting plan as prescribed in FAR 52.219-9.

If it is determined there will not be subcontracting opportunities, the offeror shall submit with its proposal, a statement of circumstances supporting this determination. All subcontracting plans and statements supporting the absence of subcontracting opportunities must be acceptable to the Contracting Officer. Failure to submit and negotiate an acceptable subcontracting plan or a statement supporting the absence of subcontracting opportunities shall render the offeror ineligible for award of a contract.

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INSTRUCTIONS FOR PREPARATION OF PROPOSALS

In responding to this solicitation please submit your proposal in four separate parts as follows:

PART I – Technical Proposal

A technical dissertation describing in detail how you would proceed if awarded a contract. Include the following elements in your technical proposal (see also the statement of work and the technical evaluation criteria):

A. Technical and management approach.

B. Assumptions, deviations, and exceptions (as necessary).

C. Identify technical uncertainties, and make specific proposals for the resolution of any uncertainties.

D. An organized workplan setting forth a specific schedule of the work to be performed as outlined in Section C, STATEMENT OF WORK. The workplan shall be in such a form as to establish a firm schedule of dates for:

(1) The start and completion of all activities.

(2) Related requirements of manpower.

(3) Other resources assignable to each activity.

E. A general history of the research segment of your firm and a description of your experience in comparable studies.

F. It is the Government's view that the course presentation should be approximately 5 days in length. However, the offeror should offer whatever it considers to be appropriate for such a training course. Should the course presentation time change after conducting the pilot courses, the cost will be changed (increased or decreased based upon the hourly cost for conducting the presentations).

G. The proposal shall name all potential instructors. In the event the Contractor finds it necessary to make changes in the professional staffing (instructors) during the performance of this contract, prior written approval from the Contracting Officer shall be obtained.

(continued on next page)

PRACTICAL EXERCISE

PART II – Staffing Proposal

Provide the names of all personnel and the positions they will occupy as related to this project. The estimated professional and technical staffing shall be provided in staff-months. Biographical summaries of key personnel shall also be included.

NOTE: The staffing information shall be provided on a task by task basis by discipline in accordance with the format identified as Attachment 2, Section J.

The principal investigator shall devote a minimum of 30 percent of his normal working time for the completion of Tasks A through F.

The following disciplines and/or expertise are believed to be necessary for the successful completion of this project:

1. Bridge Engineering

2. Training Development/Instruction

The Government's estimate of staffing is shown below. The estimates are advisory. The estimates should be used as a general guide and not be considered as a maximum or minimum limit by the offerors in preparing their proposal.

LABOR ESTIMATE (person-hours)

TASK/LABOR	A	B	C	D	E	F	G	H	TOTAL
INSTRCTR (1) (Principal Instructor)	32	40	30	360	624	40	2640	4	3770
INSTRCTR (2) (Co-Instructor)	10	10	24	240	624	20	2640	2	3570
TYPIST	12	12	8	100	36	24	120	4	316
ADM & SPRT	10	10	20	80	72	36	60	2	290

(continued on next page)

PART III—Cost or Price Proposal

Your cost or price proposal shall be specific, complete in every detail, and separate from your technical and staffing proposals. Cost figures must not be shown in the forwarding letter or in the technical or staffing proposals.

A. General.

1. Submit your cost or price breakdown utilizing Standard Form 1411 and FHWA Form 1411-1 (proposed). The Standard Form 1411 must be completed and signed.

NOTE: A separate spreadsheet keyed to the organized workplan and giving a breakdown (by components) of costs and fee by task which specifically relate to the organized workplan shall be provided. Fee payments will be negotiated on a task-by-task basis based on the risks and complexities of the task. Cost proposals should be prepared accordingly.

2. Clearly identify all costs and data in support of the proposed cost/price. All offerors shall propose on a fixed-price per course for Task C, E, and F excluding travel and per diem which will be reimbursed in accordance with Government Travel Regulations. All offerors shall utilize the following estimates for reimbursable travel and per diem in the preparation of their proposals: Task C–$4,500, Task E–$18,000, Task F–$120,000.

3. If other divisions, subsidiaries, a parent or affiliated companies, will perform work or furnish materials under this proposed contract, please provide the name and location of such affiliate and your intercompany pricing policy.

4. As part of the specific information required, you must submit with your proposal, and clearly identify as such, cost or pricing data (that is, data that are verifiable and factual and otherwise as defined at FAR 15.801). In addition, submit with your proposal any information reasonably required to explain your estimating process, including:

   a. The judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data; and

   b. The nature and amount of any contingencies included in the proposed price.

5. There is a clear distinction between submitting cost or pricing data and merely making available books, records, and other documents without identification. The requirement for submission of cost or pricing data is met when all accurate cost or pricing data reasonably available to you have been submitted, either actually or by specific identification, to the Contracting Officer or an authorized representative. As later information comes into your possession, it should be promptly submitted to the Contracting Officer. The requirement for submission of cost or pricing data continues up to the time of final agreement on price.

6. In submitting your proposal, you must include an index, appropriately referenced, of all the cost or pricing data and information accompanying or identified in the proposal. In addition, any future additions and/or revisions, up to the date of agreement on price, must be annotated on a supplemental index.

(continued on next page)

PRACTICAL EXERCISE

7. By submitting your proposal, you, if selected for negotiation, grant the Contracting Officer or an authorized representative the right to examine those books, records, documents, and other supporting data that will permit adequate evaluation of the proposed price. This right may be exercised at any time before award. The Federal Highway Administration may use an independent contractor for cost and price analyses.

8. As soon as practicable after final agreement on price, but before the award resulting from the proposal, you shall, under the conditions stated in FAR 15.804-4, submit a Certificate of Current Cost or Pricing Data.

B. Direct Labor.

1. When space on the Standard Form 1411 or (proposed) FHWA Form 1411-1 is not sufficient, attach supporting schedules indicating types or categories of labor together with labor hours for each category, indicating rate of compensation. Indicate the method used in computing the labor rates. If individual labor rates are proposed, give employee names.

2. State whether any additional direct labor (new hires) will be required during the performance period of this acquisition. If so, state the number required.

C. Facilities and Special Equipment, including Tooling

1. It is the general policy of the FHWA not to provide general or special purpose equipment, facilities, or tooling of a capital nature except in unusual circumstances. Items having a unit cost of less than $1,000 will not be provided to you except as authorized with nonprofit institutions or State and local governments. If special purposed equipment of a capital nature is being proposed, provide a description of the items, details of the proposed cost including competitive prices, and a justification as to why the Government should furnish the equipment or allow its purchase with contract funds.

2. Your proposal must include a statement regarding availability of facilities and equipment necessary to accomplish the required work. If any or all of the required facilities are Government-owned, a complete listing of these facilities is required and the name of the cognizant Government agency furnishing the facilities and the facilities contract number(s).

D. Facilities Capital and Cost of Money.

If you intend to claim facilities capital and cost or money as a cost element of your proposal, you must complete and include Form CASB-CMF in your cost proposal. Form CASB-CMF is not required of offerors who submit the form to support forward pricing rate agreements or who otherwise make annual submissions of the form to FHWA or a cognizant administrative or auditing office.

(continued on next page)

E. Subcontracts/Consultants.

If subcontractors and/or individual consultants will be used in carrying out the requirements of this project, the following minimum information concerning the subcontractor shall be furnished:

1. Name and address of the subcontractor or consultant.

2. Statement of work and workplan (schedule) for the portion of work to be conducted by the subcontractor or consultant.

3. Cost proposal (use SF 1411 and FHWA Form 1411-1).

4. Names and positions of personnel who will work on the project.

5. A letter or other statement from each proposed consultant and/or subcontractor indicating that he has been approached on the matter of participation in this study and that he is willing and able to do so in the terms indicated.

(continued on next page)

PRACTICAL EXERCISE

PART IV – General Financial/Organizational Information

Information regarding the following items shall be furnished in sufficient detail to allow a full and complete business evaluation.

If the question indicated is not applicable or the answer is none, it should be annotated.

A. What is your fiscal year period? (Give month to month dates.)

_____

B. Attach a current organizational chart of the company.

C. Submit a current financial statement, including a balance sheet and a statement of profit and loss for the last completed fiscal year. Specify resources available to perform the contract without assistance form any outside source. If sufficient resources are not available, indicate in your proposal the amount required and the anticipated source (i.e., bank loans, letter or lines of credit, etc.).

D. What was your work distribution for the last three complete fiscal accounting periods?

	FY 19	FY 19	FY 19
(1) Government cost reimbursement type prime contracts and subcontracts:	$_____	$_____	$_____
(2) Government fixed price prime contracts and subcontracts:	$_____	$_____	$_____
(3) Commercial Sales:	$_____	$_____	$_____
(4) Total Sales:	$_____	$_____	$_____

E. Have the proposed indirect cost rate(s) been audited and accepted by any Federal Audit agency? Yes _____ No _____*

If yes, give name, location, and telephone number of the agency.

_____

_____

*If the answer is No, data supporting the proposed rates must accompany the cost or price proposal. The data shall include a breakdown of the items comprising overhead and G&A, and the base upon which the burdens are computed.

NOTE: Any cost proposed for independent research and development (IR&D) effort will be allowed only if it can be shown to relate to Federal Highway Administration programs.

(continued on next page)

F. Has your system of control of Government property been approved by a Government agency? Yes _____ No _____

If yes, give name, location, and telephone number of the agency.

_____

_____

G. Purchasing Procedures

(1) Are your purchasing procedures written? Yes _____ No _____

(2) Has your purchasing system been approved by a Government Agency?
Yes _____ No _____

If yes, give name, location, and telephone number of the agency.

_____

_____

H. Does your firm have an established written incentive compensation or bonus plan?
Yes _____ No _____

I. Describe your accounting system of estimating and accumulating costs under Government contracts. (Check appropriate blocks.)

	Estimated Actual Cost	Standard Cost
(1) Establishing System		
Job Order	/ /	/ /
Process	/ /	/ /
(2) Accumulating System		
Job Order	/ /	/ /
Process	/ /	/ /

(continued on next page)

PRACTICAL EXERCISE

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K. Has your cost accumulation system been approved by any Government agency?
Yes _____ No _____

If yes, give name, location, and telephone number of the agency.

_____

_____

L. Past Performance References. The offeror is required to submit, as part of its proposal, information on all contracts involving similar or related services over the past three years with FHWA and/or other organizations (both commercial and Governmental). The information must include the name and address of the organization for which services were performed; the current telephone number of a responsible technical representative of the organization; the contract number, if applicable; the type of contract performed; and a brief description of the services provided, including the length of performance. FHWA may use this information to contact technical representatives on previous contracts to obtain information regarding performance. Failure to provide complete information regarding previously similar and/or related contracts may result in eventual disqualification. The contracting officer will consider such performance information along with other factors in determining whether the offeror is to be considered responsible, as defined in FAR 9.101.

List any contract that was terminated for convenience of the Government within the past 3 years, and any contract that was terminated for default within the past 5 years: briefly explain the circumstances in each instance. (Provide attachment, if necessary.)

_____

_____

The REPRESENTATIONS, CERTIFICATIONS, AND ACKNOWLEDGEMENTS, Section K, must be completed and submitted as a part of your proposal.

The following documents are incorporated by reference and may be reviewed in, or obtained upon request from the Office of Contracts and Procurement:

Guidelines for Preparing Federal Highway Administration Publications, (FHWA-AD-88-001), dated January 1988.

Federal Information Processing Standards Publication 38 (FIPS PUB) dated February 15, 1976, and FIPS PUB 64 dated August 1, 1979, are incorporated by reference and may be obtained upon request from the address listed below. The cost FIPS PUB 38 is $10.00 and for FIPS PUB 64, $8.50.

National Technical Information Service
5235 Port Royal Road
Springfield, Virginia 22164
Telephone Number (703) 487-4650

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52.233-2 SERVICE OF PROTEST (NOV 1988)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO) or the General Services Administration Board of Contract Appeals (GSBCA), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgement of receipt from Mr. Frank J. Waltos, HCP-20, Room 4404, 400 Seventh Street, SW., Washington, D.C. 20590.

(b) The copy of any protest shall be received in the office designated above on the same day a protest is filed with the GSBCA or within one day of filing a protest with the GAO.

(End of provision)

52.233-2 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (NOV 1988)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

(End of provision)

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) SOLICITATION PROVISIONS

1.	52.204-4	Contractor establishment Code (AUG 1989)
2.	52.209-7	Organizational Conflicts of Interest Certificate—Marketing Consultant (NOV 1991)
3.	52.215-5	Solicitation Definitions (JUL 1987)
4.	52.215-7	Unnecessarily Elaborate Proposals or Quotation (APR 1984)
5.	52.215-8	Amendments to Solicitations (DEC 1989)
6.	52.215-9	Submission of Offers (DEC 1989)
7.	52.215-10	Late Submissions, Modifications, and Withdrawals of Proposals (DEC 1989)
8.	52.215-13	Preparation of Offers (APR 1984)
9.	52.215-14	Explanation to Prospective Offerors (APR 1984)
10.	52.215-15	Failure to Submit Offer (APR 1984)
11.	52.215-16	Contract Award (JUL 1990)
12.	52.215-30	Facilities Capital cost of Money (SEP 1987)
13.	52.222-45	Notice of Compensation for Professional Employees (APR 1984)
14.	52.222-46	Evaluation of Compensation for Professional Employees (APR 1984)
15.	52.227-6	Royalty Information (APR 1984)
16.	52.228-6	Insurance—Immunity From Tort Liability (APR 1984)
17.	52.237-1	Site Visit (APR 1984)

PRACTICAL EXERCISE

II. DEPARTMENT OF TRANSPORTATION ACQUISITION REGULATION
(48 CFR CHAPTER 12) SOLICITATION PROVISIONS

1252.209-71 Disclosure of Conflicts of Interest (APR 1984)

52.252-3 ALTERATIONS IN SOLICITATION (APR 1984)

Portions of this solicitation are altered as follows:

None.

(End of provision)

52.252-5 AUTHORIZED DEVIATION IN PROVISIONS (APR 1984)

(a) The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of “(DEVIATION)” after the data of the provision.

(b) The use in this solicitation of any Department of Transportation Acquisition Regulation (48 CFR Chapter 12) provision with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the regulation.

(End of provision)

SECTION M—EVALUATION FACTORS FOR AWARD

EVALUATION CRITERIA

A. Technical

Technical proposals will be evaluated on the following criteria, with each criterion being of equal importance:

1. Offerors Demonstration of Sufficient Resources to Complete the Contract Requirements Satisfactorily and on Schedule.

   a. Recent practical experience of the Principal Instructor (P.I.) in bridge design using the American Associations of State Highway and Transportation Officials Standard Specifications for Highway Bridges. Familiarity with the new LRFD method. The educational background and level of effort proposed for the P.I. will also be considered.

   b. Recent relevant experience of the P.I. and other professionals in developing and teaching short courses (up to 5 days) for the purpose of training practicing highway engineers. This includes developing understandable, useful training materials. The level of effort of each staff member will be considered.

2. Offerors Demonstrations of Technical Competence and Organization.

   a. Effectiveness and completeness of the technical proposal in illustrating the offeror's understanding of bridge design and how the new specifications will impact the future design of highway bridges.

   b. Effectiveness of the technical proposal in demonstrating the offeror's ability to produce clear, informative, and easy to understand training material.

   c. Effectiveness of the technical proposal in demonstrating an understanding the training objectives and how existing materials will be used to meet those objectives.

B. Cost

In addition to the criteria listed above, relative cost will be considered in the ultimate award decision. Cost/price proposals will be analyzed to assess realism and probable cost to the Government. The proposed costs may be adjusted, for the purpose of evaluation, based upon the results of the cost realism assessment.

C. Past Performance

Past performance will be reviewed to assure that the offeror has relevant and successful experience. Past performance will not be scored.

D. Basis for Award

The Government will accept the offer that is considered the most advantageous to the Government. Of the three factors, (A) technical, (B) cost, and (C) past performance, technical and cost are considered the most important with technical and cost being considered equal. Past performance is of less importance than technical or cost.

CHAPTER 3

DEVELOPING EVALUATION FACTORS

Chapter Vignette

Most of John's experience as a contract specialist had concerned sealed bids and awards based on lowest price to the Government. However, he learned that this procurement would probably be made on the basis of "best value." He also learned that the technical evaluation factors had not been fully developed and he was expected to help. He was somewhat nervous because he had no idea which technical factor should be the most important. Also, he didn't fully understand the concepts of "Go/No-Go" factors and decisional rules. He wasn't even sure of how to get started.

Marcia was an experienced contracting officer and had worked on several large "best value" acquisitions. She advised him to relax and take a systematic approach, "Get consensus on what should be the single most important factor first, then work downward from there." John was determined to get his hands on every reference he could find about evaluation factors...

Course Learning Objectives

In this Chapter

At the end of this chapter, you will be able to:

1. Use the SOW in Developing Evaluation Factors,
2. Research Evaluation Factors Used in Comparable Procurements,
3. Draft Technical/Business Factors for Evaluating Proposals,
4. Critique Technical/Business Factors for Evaluating Proposals,
5. Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value”,
6. Determine the Relative Importance of Cost/Price and Technical/Business Factors
7. Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule,
8. Determine Factors to be Evaluated By the Go/No-Go Decisional Rule,
9. Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity,
10. Incorporate Technical/Business Factors in the Solicitation.

Chapter Overview

Introduction

As a Contract Specialist you may be required to prepare or help prepare evaluation factors and standards for a Source Selection Plan (SSP). This chapter discusses how you will develop the evaluation factors and standards for source selection. The development of **evaluation factors and standards for source selection** is sometimes the most difficult and important action you will perform as a member of a source selection team. These evaluation factors and standards become a key part of the SSP.

Topics in This Chapter

This chapter includes the following topics:

SECT.	TITLE	PAGE
3.1	Basics for Developing Evaluation Factors	3-4
3.2	General Guidelines for Developing Evaluation Factors	3-9
3.3	How to Develop Evaluation Factors	3-11
3.4	Step 1—Use the SOW in Developing Evaluation Factors	3-12
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3.6	Step 3—Draft Technical/Business Factors for Evaluating Proposals	3-15
3.7	Step 4—Critique Technical/Business Factors for Evaluating Proposals	3-23
3.8	Step 5—Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value”	3-26
3.9	Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors	3-30
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3.12	Step 9—Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity	3-51
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3.1 Basics for Developing Evaluation Factors

Definitions

Evaluation criteria	The methodology for evaluating proposals including the factors and significant subfactors, the relative importance of the factors and significant subfactors to one another and the measurement of such factors in terms of evaluation standards.
Evaluation factors	Descriptions of those aspects of an offer that are evaluated to assess which offer provides the proposal to best meet the Government's requirements as described in the solicitation. These factors include the following three categories: technical, cost/price and business. NOTE: Cost/Price must always be an evaluation factor, but should not be scored or rated. Past performance must also be an evaluation factor in all competitive negotiated acquisitions expected to exceed $100,000, except where the contracting officer determines that such action is not necessary. Although quality should be addressed in planning every source selection, it does not have to be an evaluation factor.
Technical evaluation factors	Descriptions of the technical aspects of an offer used to evaluate the merit of the proposed technical approach and/or work to be performed. Examples: technical approach understanding of the requirement compliance with requirement
Cost/Price evaluation factors	Information used to evaluate what the proposed offer will most likely cost the Government. Cost/Price should not be scored or rated. Examples: cost/price reasonableness cost/price realism life cycle cost cost risk
Business evaluation factors	Aspects used to assess performance of the offerors. Examples: relevant experience past performance management plan company resources quality of product/service

3.1 Basics for Developing Evaluation Factors (continued)

Definitions

Evaluation Standards	A predetermined level of merit against which proposals are measured. Standards are usually a statement of the minimum level of compliance with a requirement which must be offered for a proposal to be considered acceptable.
Significant subfactors	The breakdown of an evaluation factor. For a subfactor to be significant it must be rated.
Assessment Criteria	Areas of consideration common to more than one evaluation factor.
Best Value	The concept that allows award to the offeror providing the greatest value to the Government in terms of trade-off between price/cost and technical/business merit. One or more of the factors other than cost or price are evaluated using multiple distinctions of merit.
Decisional Rule	Methodology of how you evaluate the factors and subfactors.
Go/No-Go Factors	Factors where no additional credit is granted for exceeding a minimum standard of acceptability. Go/No-Go Factors are also called Pass-Fail factors.
Multiple Distinctions of Merit	Factors where additional credit is granted or factors that establish a method to rank offers other than on a “pass-fail” basis.
Rating/Scoring Method	A method of rating/scoring an evaluation factor in relationship to its corresponding standard such as numerical, adjective, color, etc.

3.1 Basics for Developing Evaluation Factors (continued)

Definitions

Rating/Scoring Instructions	Instructions given to each evaluator on how to rate or score evaluation factors.
Standards of Responsibility	Standards which measure whether the offeror is able to provide the supplies or services. FAR 9.103 requires a determination of responsibility. The Go/No-Go decisional rule applies.
Special Standards of Responsibility	Special standards are established to minimize performance risk which is not adequately addressed by normal standards of responsibility.
Evaluation Matrix	A chart which helps in developing the solicitation by cross referencing the evaluation areas against the factors and subfactors.

3.1 Basics for Developing Evaluation Factors (continued)

References

References You Will Need

You should consult the following references before you begin to develop the evaluation factors:

- FAR Parts 3 and 15,
- The SOW (including any OMB A-76 analysis, if applicable),
- Sample model procurement documents from your policy office,
- Any special guidance from the SSA or the requesting office.

The following chart includes references from various agencies:

GSA	Transportation	Commerce	DOD
GSA Order ADM 2800.12D (Source Selection Procedures Handbook) Source Selection Procedures—Lessons Learned GSA Order, Committee management (ADM 5420.40D) Source Selection Evaluation Board Members Important Considerations for Source Selection of Federal Information Processing (FIP) Resources Using the Greatest Value Approach	Transportation Acquisition Regulation Transportation Acquisition Manual	Commerce Acquisition Manual (CAM)	**DFARS** DFARS 219.705-2 **AIR FORCE** AFFARS Appendix AA AFFARS Appendix BB AFR 12-50 Table 70-1 **NAVY** Navy Acquisition Procedures Supplement Subpart 5215.6 SCCNAVINST Handbook 4200.33 **DLA** Buying Best Value Through Source Selection

3.1 Basics for Developing Evaluation Factors (continued)

General

The evaluation factors must complement the statement of work and/or specifications. In addition, the evaluation factors must provide a means of discriminating among proposals. Evaluation factors include technical, price/cost, and business factors. At times business and technical factors are combined.

FAR Requirements

FAR 15.605(e)	The FAR requires you to clearly state the evaluation factors and any significant subfactors that will be considered in making the source selection. You MUST list all evaluation factors, including price or cost and any significant subfactors in Section M of the RFP.
FAR 15.605(e)	Numerical weights, if used, need NOT be disclosed.
FAR 15.605(b)	Price/Cost is considered as an evaluation factor in every source selection but is not a part of the rating/scoring process.

Stating the Importance of Evaluation Factors

In addition to the Evaluation Factors, you must state in the solicitation the relative importance of the factors and significant subfactors that will be considered.

This means that you MUST:

- thoroughly research the evaluation factors,
- select the most appropriate factors,
- determine whether the award should be based on “lowest price technically acceptable proposal” or “best value”,
- establish the relative importance of the factors *to one another*,
- clearly explain the factors and subfactors in Section L and list them in Section M of the solicitation.

3.2 General Guidelines for Developing Evaluation Factors

General Guidelines

The evaluation factors you select depend on the specific nature of the procurement. All procurements vary, so it is NOT a good idea to just copy evaluation factors from similar or old procurements. However, you may apply the following general guidelines when you generate factors.

- **Consistency.** The technical evaluation factors must agree with the statement of work and/or specifications. It is important that they are accurately described in the source selection plan. Likewise, it is most important that the evaluation factors are accurately incorporated into the solicitation. The evaluation factors and the statement of work/specifications must accurately identify the basis for the Government's measurement of how each offeror's proposal meets the Government's requirement.

- **Limited in Number.** Avoid the tendency to generate too many evaluation factors. A large number of factors dilutes the relative importance of the most significant factors. Also, having a very large number of factors may create overlap and waste valuable time. Eliminate those factors which are not important enough to influence the source selection.

- **Independence.** You must select evaluation factors that do not overlap one another. For example, "evidence of successful completion on similar projects" and "applicable project experience" are nearly the same factor. Eliminate or consolidate factors which overlap.

- **Relevance.** An evaluation factor may be valid (measure what it is supposed to measure) without being relevant to the source selection. For example, in a source selection for services, you would NOT ask for experience in manufacturing. Even if you had a valid evaluation factor for "manufacturing experience," it would NOT be relevant to services. Ask "does this factor really belong in the evaluation?"

(continued on next page)

3.2 General Guidelines for Developing Evaluation Factors (continued)

Example of Specific Guidelines

The DLA Handbook, *Buying Best Value Through Source Selection,* adds the following:

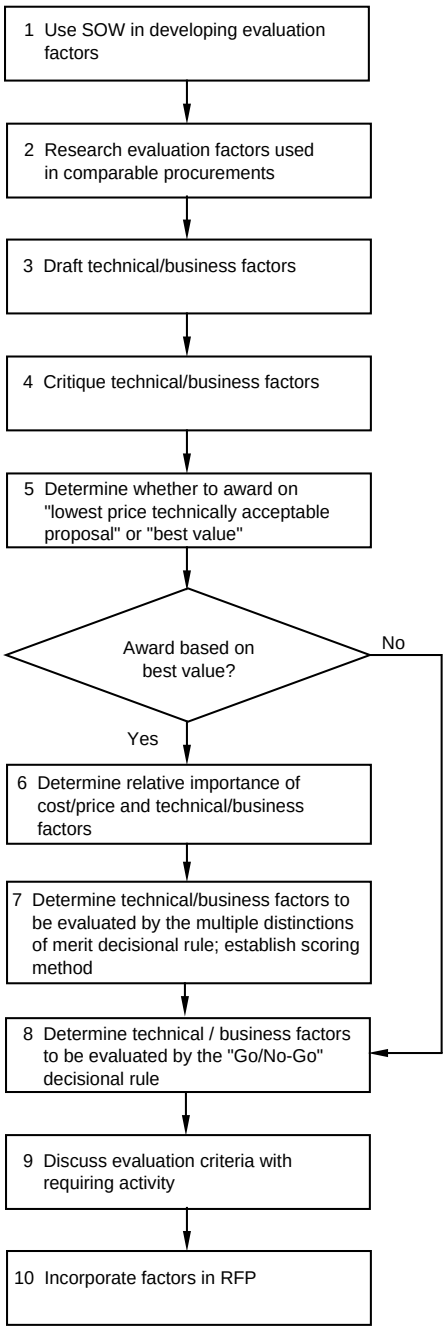
> There are three basic requirements for evaluation factors:
>
> (1) The factor must be a variable, i.e., there must be a reasonable expectation of variance among offerors.
>
> (2) The variance must be measurable. This does not mean that it must be quantifiable. Qualitative measurements are equally valid.
>
> (3) The factor must be determinant. The Comptroller General has stated in several decisions that the use of an area as an evaluation factor is valid only if the agency's needs warrant a comparative evaluation of those areas. The FAR reinforces this by stating that the evaluation factors will include only those factors which will have an impact on the source selection decision. The simplest way to assess determinance is to ask yourself: "Is the Government willing to pay more for higher merit in this factor?"

3.3 How to Develop Evaluation Factors

Flowchart for Developing Evaluation Factors

Once you have assembled and read the reference documents and the general guidance above, you are finally ready to start generating the evaluation factors you will need for your source selection.

This flowchart shows the steps in developing evaluation factors.



3.4 Step 1—Use the SOW in Developing Evaluation Factors

Introduction

As a Contract Specialist it is your responsibility to make sure that the evaluation factors address the requirement as presented in the SOW. The SOW is your starting point in developing evaluation factors. In most cases, the requiring activity will already have developed the evaluation factors. If so, you should review the evaluation factors and check them against the SOW to see if they seem reasonable (see Step 4). If the requiring activity has not developed the evaluation factors, you must be able to guide the source selection board to develop the evaluation factors. In any case, the SOW is your starting point.

Check the SOW

Read the SOW until you understand it thoroughly. If there is any question whatsoever about the specifications or SOW, ask the requiring activity and technical specialist. You must understand the SOW requirements thoroughly before you can check or develop evaluation factors.

Check for Evaluation Factors

Remember, if you are a member of, or advisor to, a source selection board, you must apply the evaluation factors:

- First, make sure there is at least one evaluation factor or significant subfactor listed for each supply item, service, or specification for which you want to distinguish merit among proposals. Ask yourself, "Is there an evaluation factor to evaluate this requirement?" If not, you must generate an evaluation factor or significant subfactor. All requirements must be evaluated, but a single factor can cover multiple requirements (or aspects of the requirements).

  For example, if the SOW calls for delivery of a service, is there an evaluation factor to measure how well or how soon, or how frequently that service will be provided?

- Second, make sure the evaluation factors are consistent with the solicitation requirements.

  For example, if an evaluation factor calls for "offeror experience," check the SOW to make sure the requirement for such experience is justified.

(continued on next page)

3.4 Step 1—Use the SOW in Developing Evaluation Factors (continued)

Identify Special Problem Areas	Ask yourself, "What are the likely problem areas in this type of procurement?" Does it require new or untried technology? Will it be hard to manage? Difficult to predict costs or performance? List the special problem areas carefully. This will help you narrow down the research for comparable procurements.

3.5 Step 2—Research Evaluation Factors Used in Comparable Procurements

Introduction

The next step you will make is to research the evaluation factors you will need to support completion of the Source Selection Plan and the solicitation.

Research Factors Used in Comparable Acquisitions

Research the factors you will need. Check similar or comparable procurements from recent files of successful procurements. *It is strongly recommended that you also check evaluation factors in the sample procurement documents from your policy office.* "Lessons Learned" reports describing the successful and, more importantly, the unsuccessful procurements are a valuable source of information. Questions you may ask yourself include the following:

- "How have the factors fared in previous protests and court cases?"
- "How much competition did the agency receive on prior procurements?"
- "Have the ACOs experienced trouble with prior contracts?"

Do NOT limit yourself to your agency's acquisitions.

Check for Similarities to Other Procurements

Once you are sure that you understand the SOW and the proposed evaluation factors and special problem areas, you can compare this SOW to similar, recent acquisitions. Look for similarities to other recent procurements in your agency, other Government agencies and the private sector. Ask yourself, "What is it about this acquisition that makes it similar to other recent procurements?" Is it a large scale computer acquisition? A construction project? A purchase of consulting services? No matter what it is, the odds are that there is a history of similar procurements you should check.

List All Evaluation Factors

The goal in researching factors is to identify evaluation factors you think you will need. In many cases, the evaluation factors will already be identified by the requiring activity.

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

Introduction

In this step you will learn the procedures you will follow if you are required to draft the evaluation factors for evaluating proposals. Technical and business evaluation factors are used to measure the degree to which the offer meets the technical/business requirements of the acquisition. Usually, the proposed evaluation factors will already have been drafted by the requiring activity, and you will have to review and critique them for their usefulness in evaluating proposals. However, in some cases, the board may have to draft the evaluation factors.

It may be necessary to develop one or more subfactors to measure each of the factors. For example, "Technical Approach" can be a broad measure which requires several subfactors for proper measurement. In turn, each subfactor may require one or more elements.

Understand the Level of Risk

Before you can determine the specific technical evaluation factors that you will require, you must first ***understand the level of risk*** connected with all parts of the acquisition. There are various types of risks. There are risks associated with the contractor and risks associated with the offeror's technical proposal. This is especially important in a complex or new technology acquisition, such as a communications, a large computer system, or a large support services effort.

Although you are not expected to be a technical expert, ***you may have to ask many questions of technical experts*** to understand the performance risks, before you can determine the overall risk. Simply reading the specifications may not provide an understanding of the risks.

(continued on next page)

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Definitions of Risk

Usually, you can assess the level of risk as either, HIGH, MODERATE, or LOW.

- HIGH risk is ***likely*** to cause significant serious disruption of schedule, increase in cost, or degradation of performance, even with contractor emphasis and close Government monitoring.
- MODERATE risk ***can potentially*** cause some disruption of schedule, increase in cost, or degradation of performance. However, special contractor emphasis and close Government monitoring will probably overcome difficulties.
- LOW risk has ***little*** potential to cause disruption of schedule, increase in cost or degradation of performance. Normal contractor emphasis and normal Government monitoring will probably be able to overcome difficulties.

If the supply or service in this acquisition is NOT well understood, has never been provided before, or can only be provided by a relatively small number of offerors, then the risk to the Government is usually high. If you select an offeror for award based only on the lowest cost, there is a greater risk that the offeror may NOT be the one who can provide the product or service at the minimum standard required by the Government. You now develop technical factors for selecting that one offeror who is most likely to meet the Government needs at the lowest acceptable risk.

Examples of High Risk

Examples of such high risk acquisitions include highly complex buys and those which are affected by rapid advances in technology. Examples include specialized computer systems, custom built or one-of-a kind machinery, or a complex acquisition which requires many subcontractors managed by a prime contractor.

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3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Request for Risk Analysis

If you conclude that there is a moderate or high risk, you may decide to require offerors to submit a ***risk analysis plan*** as part of the technical approach or business proposals. You must then include specific instructions to do so in the solicitation and ensure that evaluation factors or subfactors are developed to measure the offerors' risk analysis.

The risk analysis plan should require offerors to submit a detailed risk analysis which identifies specific risk areas and makes specific recommendations to minimize the impact of those risks.

Draft Evaluation Factors

Once you are sure that you understand the technical risks in the acquisition, then you are ready to draft the technical and business factors. These are often referred to as if they are the same, but *in some acquisitions, there may be separate requirements for technical factors and for business factors.*

Usually, if a solicitation calls for separate technical and business proposals, the purely technical factors are developed first. That is because technical considerations may have an influence on the business factors. The same procedures are used to draft both.

(continued on next page)

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Categories of Technical/ Business Evaluation Factors

Although the specific evaluation factors will vary from one procurement to the next, there are certain factors and subfactors which are used in most source selection evaluations. The four most common major categories include:

Business Evaluation Factors:

Management. Factors in this category evaluate how the project will be controlled. Depending on the specific needs of your procurement, you may wish to include typical subfactors such as control and accounting procedures, organization schemes, subcontracting plans, reporting procedures, or special security arrangements. Increasingly, quality control (QC) or Total Quality Management (TQM) measures are included as a key subfactor.

Staffing. Factors in this category evaluate the quality of the work force which will execute the project. Typical subfactors you may consider include key personnel qualifications (resumes) and special training qualifications, capabilities, cross-training or certifications, as shown in a qualification matrix.

Offeror Experience. Factors in this category evaluate the offeror's history or "track record" on similar projects. This typically requires offerors to submit detailed project summaries or examples of completed work, with points of contact who can be called for information on past performance. (Some agencies include "offeror experience" in business factors and some in technical factors.)

Technical Evaluation Factors:

Technical Approach. Factors in this category evaluate how the work will be technically performed. Subfactors you may want to consider include comprehension of requirements, plans, technical innovation, methodology, safety and accident prevention measures, and special materials.

(continued on next page)

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Sample Factors

The following table shows some evaluation factors which may be used in typical solicitations. Remember, each of these evaluation factors may require development of one or more factors (and several subfactors with one or more elements) and standards for measurement.

SAMPLE EVALUATION FACTORS FOR SOURCE SELECTION

General Management:
- Quality Control
- Cost Accounting
- Management Information Systems
- Cost Schedule Control Systems
- Estimating
- Subcontract Management
- Property Management
- Security
- Safety and Accident Prevention Programs
- Procurement Systems
- Continuous Process Improvement
- Reports and Procedures
- Recycling – RCRA

Past Performance:

Technical Comprehension of Requirements:
- Scope and Methods
- Experience
- Work Control Methods
- Innovation
- ` Value Engineering

Organization and Staffing:
- Key Personnel
- Skill Mix
- Accountability
- Capacity (surge capacity)

Experience:
- Comparable Size and Complexity

Phase-In Plan:
- Implementation Schedules
- Learning Curve

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Draft Subfactors

A factor, by itself, may be too broad to measure key aspects of the proposal, so you may have to develop two or more subfactors for a given evaluation factor. For example, a factor such as "Technical Approach" for a computer system acquisition may be broken down into the subfactors for "hardware installation plan," "software installation plan," "network services and maintenance plan," and other subfactors.

Draft Elements

In turn, a subfactor may require breaking down into various related elements. For example the subfactor "software installation plan" might be broken down into elements including "installation," "debugging," "conversion of files," etc., depending on technical requirements. Usually, the technical personnel are the most qualified to recommend which factors, subfactors, and elements are needed.

The following table shows the relationship among factors, subfactors and elements in a hypothetical offer for a computer acquisition requiring hardware, software, and maintenance:

EVALUATION FACTOR LEVEL	EXAMPLES		
	1	2	3
Factor	Hardware	Software	Maintenance
Subfactor	Installation Time Required	Installation Time Required	Up Time Required
Element	Start Date	Start Date	Start Date(s)
Element	Risk	Risk	Reliability

(continued on next page)

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Establish Standards for Evaluation Factors

There SHOULD be a standard of measurement for each technical/business factor and each subfactor and element. This is one of the most important steps in the process. Too often, protests are upheld because it was determined by the GAO, GSBCA, or the courts that proposals were not consistently evaluated. The purpose of the standards is to maintain a fair evaluation of each offeror's proposal.

As the Contract Specialist you MUST assure standards for each factor and significant subfactor are developed. *The standard normally establishes the minimum acceptable level of compliance that must be offered for a factor, significant subfactor, or element to be considered acceptable.* Standards are used to measure how well each offer meets, fails to meet, or exceeds, the requirements.

For example, if one factor is "capacity," then the standards must explain how capacity will be measured, such as "units of production per hour," etc.

The standards you establish for each factor will be either **"qualitative"** or **"quantitative."**

Qualitative vs. Quantitative Standards

A **quantitative** standard relates to terms of quantity or a measurement of quantity.

An example of a quantitative standard might involve an acquisition of new machinery, such as a high speed printer. In this hypothetical case, you are concerned with whether the printer speed meets, fails to meet or exceeds the required speed.

The following language describes this standard applied to a hypothetical technical factor called "Operating Speed."

"This standard is met when the printer will print 50 sheets per minute for a period of at least five (5) hours of continuous operation without shut down or stoppage for cooling or other routine operator maintenance during an acceptance test."

A printer that meets the operating speed requirement could be awarded a satisfactory rating. A printer that exceeds the minimum operating speed could be awarded extra points or a greater degree of merit.

(continued on next page)

3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals (continued)

Qualitative Standard

A **qualitative** standard relates to quality or kind. It does not relate specifically to quantity.

The following language describes a qualitative standard applied to a hypothetical factor called "compliance with quality control program".

"This standard is met when the offeror provides evidence of a documented and functioning quality control (QC) program. The offeror's QC program may be subject to a formal evaluation or random audit by representatives from this agency's Office of Quality Assurance. This agency will use the 'American National Standards Institute's General Requirements for a Quality Control Program (Standard z1.8)' to evaluate the offeror's QC program."

Another example of a qualitative standard might be for experience in hazardous waste training.

"This standard shall be met when the offeror provides evidence of a documented and functioning in-house training program for the handling, transport and disposal of hazardous waste in accordance with EPA and state guidelines and regulations."

3.7 Step 4—Critique Technical/Business Factors for Evaluating Proposals

Introduction	As the Contract Specialist, you must critique the proposed technical/ business evaluation factors. In most cases, the source selection plan will already contain the proposed evaluation factors for the technical and business proposals. However, if you are advising a Source Selection Evaluation Board, or serving as a member, you cannot merely accept these as final. You must critique each evaluation factor to make sure it is reliable and valid.
Critique Proposed Technical/ Business Factors	Regardless of who develops the technical or business factors that will be used to evaluate the proposals, you must make sure that each factor and subfactor is critiqued to ensure it is reliable and valid.
Summary Outline	As you critique the proposed evaluation factors, carefully document the strengths and weaknesses of each factor, any recommended changes and any questions to be clarified later in discussions with the requesting activity. The notes you take here will be the basis for the ***summary outline*** you will use in these discussions.
Analyze Each Factor	It is important NOT to take any evaluation factor at face value. You MUST ensure that each evaluation factor, subfactor, standard and relative importance (weight) is critiqued and analyzed to be sure that it is **reliable, valid, and relevant.** These factor requirements are in addition to the general guidelines stated on page 3-9.

(continued on next page)

3.7 Step 4—Critique Technical/Business Factors for Evaluating Proposals (continued)

Reliability

Check for Reliability. A ***reliable*** factor is one which can be applied consistently by the source selection evaluators in a uniform manner to rate each proposal the same way with minimum variation among the evaluators. If two evaluators provide widely different ratings to the same factor on the same proposal it could reflect a problem with the standard.

A major problem with the reliability of an evaluation factor, subfactor, or standard is that language used to describe it may be subject to different interpretation. For this reason, you must be especially aware of language that is vague, ambiguous or subject to different interpretation by evaluators.

Validity

Check for Validity. A ***valid*** factor is one which measures what it claims to measure. For example, assume there is a requirement for "Corporate Experience" as an evaluation factor. Measuring the experience of several key personnel in a company may not be valid as a measure of "Corporate Experience," because the key personnel may have gained their experience elsewhere and have not worked together.

Relevance

Check for Relevance. A ***relevant*** factor is one that belongs in the source selection. For example, if you are selecting an offeror to provide maintenance services, you should question the relevancy of an evaluation factor that is NOT related to maintenance services.

(continued on next page)

3.7 Step 4—Critique Technical/Business Factors for Evaluating Proposals (continued)

Common Problems

The following table provides some of the most common problems or weaknesses found in draft factors, subfactors and standards.

- Vague or ambiguous descriptors
- Inconsistency between the SOW and proposal preparation instructions
- Absence of any relationship to the SOW
- Missing elements (e.g., factors are missing standards or measures of relative importance)
- Logical fallacies (e.g., weights for the subfactors exceed the total points allocated for the factor)

IF…	THEN…
• The wording of an evaluation factor (or standard) is vague or ambiguous (do panel members agree on the meaning?)... OR • The language describing the factor (or standard) does NOT establish the minimum acceptability...	• Rewrite the terminology to define what the language means and how it will be applied in the procurement, or eliminate the factor (or standard). All panel members MUST agree on the meaning. Examples of ambiguous terms are “similar,” “comparable,” “satisfactory,” and “substantial.”
• The description of the factor does NOT clearly specify the elements or subfactors which are needed...	• Rewrite the evaluation factor to indicate the elements or subfactors required.
• If the importance assigned to each factor or subfactor does NOT accurately reflect its relative importance and relationship to one another...	• Revise the relative importance.
• Duplicate factors for one requirement are used...	• Ensure the factors evaluate distinct aspects of the requirement, or, • Eliminate or consolidate duplicate factors.
• The evaluation factors appear very complex, difficult to apply and may require help from outside (non-Government) advisors...	• Request outside advisors as soon as possible, but remember there MUST be NO conflict of interest.

Now that you have determined the evaluation factors needed for your procurement, you will need to determine the method for selecting the successful offeror.

3.8 Step 5—Determine Whether to Award on "Lowest Price Technically Acceptable Proposal" or "Best Value"

Introduction

The next step you make is to determine the method for selecting the successful offeror. In other words, how are you going to evaluate factors and compare proposals?

"Lowest Price Technically Acceptable Proposal" or "Best Value?"

In this step, you decide whether to recommend award on the basis of "lowest price technically acceptable proposal" or "best value".

A "Lowest Price Technically Acceptable Proposal" is a proposal which offers the best price to the Government after minimum technical requirements have been met. All factors are evaluated using the "Go/No-Go" decisional rule. Examples are the acquisition of janitorial services or snow-removal services.

"Best Value" is the concept that allows award to the offeror providing the greatest value to the Government in terms of tradeoff between price/cost and technical merit. One or more of the evaluation factors are evaluated using multiple distinctions of merit. Award does not have to be made to the lowest price offeror.

In some cases, it is very clear early in the presolicitation phase that an acquisition must be made on the basis of "best value." In other cases, this may not be clear until you begin to develop the evaluation factors.

3.8 Step 5—Determine Whether to Award on "Lowest Price Technically Acceptable Proposal" or "Best Value" (continued)

Prediction of Cost Performance

Remember that price/cost is always an evaluation factor. Sometimes, the Government CANNOT predict cost performance, nor provide data for the offeror's cost estimation. The risk to the offeror may be unusually high, or the Government may demand very high qualifications or experience which a low cost offeror may NOT possess.

In the following table, such as in Example 2, the Government may need firms with higher technical capabilities to ensure that the Government acquires best value.

	IF…	THEN…
Example 1	The Government's needs can be met by any offeror who meets the minimum requirements for technical acceptability... AND The procurement is straightforward and uncomplicated with few or no problems encountered in satisfying past Government requirements...	The "Lowest Price Technically Acceptable Proposal" approach may be best.
Example 2	The Government's requirements are difficult to define, complicated, and/or have been historically troublesome... AND There is a rationale to support paying more money to select a more advantageous proposal...	The "Best Value" proposal approach is usually best.

3.8 Step 5—Determine Whether to Award on "Lowest Price Technically Acceptable Proposal" or "Best Value" (continued)

"Lowest Price Technically Acceptable " Approach—Two Step Method

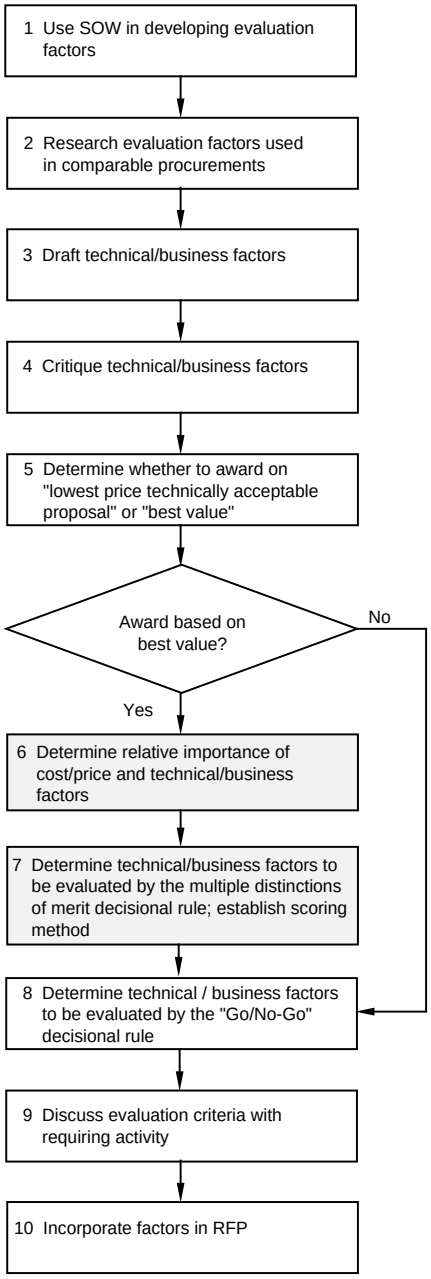
If you decide to follow the "lowest price technically acceptable proposal" approach, you can do this in two steps, especially if you think there may be several offerors and you want to narrow the range of offerors. This is the simplest type of source selection.

STEP	ACTION
1. Evaluate Technical & Business	a. Request technical & business proposal only—no cost or pricing data, b. Evaluate technical & business factors, c. Notify offerors that do NOT meet standards.
2. Evaluate Price	a. Request price proposal only, b. Award to lowest price technically acceptable proposal.

3.8 Step 5—Determine Whether to Award on "Lowest Price Technically Acceptable Proposal" or "Best Value" (continued)

Source Selection Based on the "Lowest Price Technically Acceptable Proposal" Approach

The following flow chart illustrates the steps necessary for a source selection based on the "lowest price technically acceptable proposal" approach.

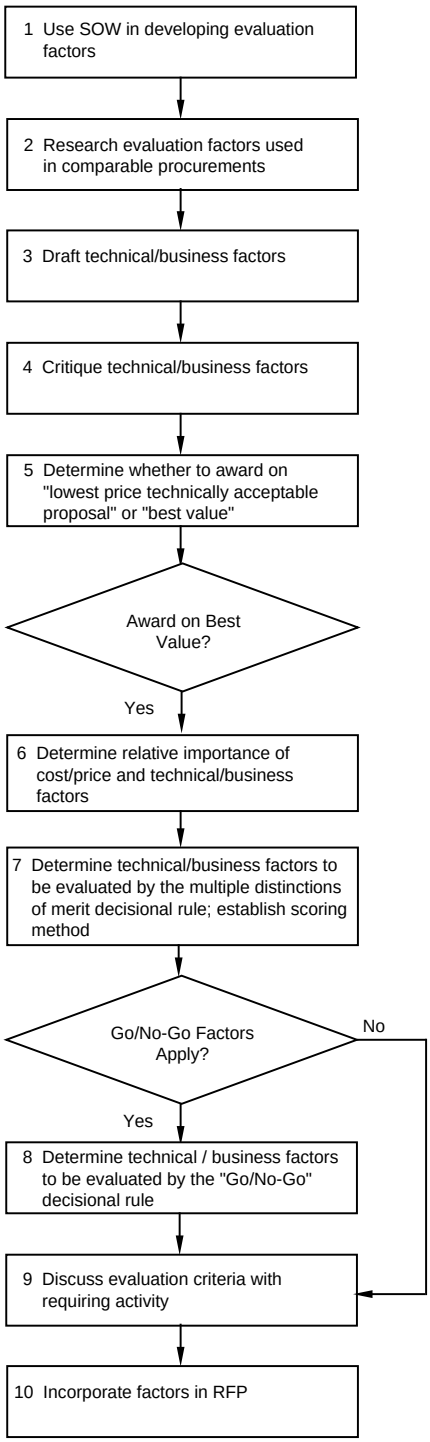


If you decide to follow the "best value" proposal approach, you use the following steps to measure the merit of competing proposals.

3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors

Introduction

The following flow chart illustrates the steps necessary for a source selection based on the “best value” approach.



3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

Cost/Price as a Factor	Cost/Price must be a factor in every source selection. Price must be a significant factor to have adequate price competition.
Importance of Cost/Price as a Factor	Cost/Price is a factor which must be evaluated in every procurement except one that does not involve a cost to the Government. The relative importance you assign to the price is essential to any trade off decisions made later by the SSA. For example, if the technical risk is very high and very important, you will probably assign a relatively lower importance to cost/price. If the technical risk is relatively lower, then the importance assigned to cost/price will be higher.
Comp Gen. B244395	The Comptroller General has also ruled that if the solicitation does NOT indicate the relative importance of all evaluation factors, they are considered approximately equal in weight. There have been several decisions on this issue. (Comp Gen. Able/One Refrigeration Inc., B244395, Oct. 28, 1991, 91-2CPD para. 384)
Importance of Technical Risk	In most acquisitions based on “best value,” factors other than price are often given more weight and importance. This is especially important when there is a high technical risk and thus a greater requirement to select an offeror with stronger technical capabilities to reduce the risk. As a general rule, the higher the risk, the greater the emphasis on technical factors over price.

3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

Measures of Relative Importance

After the factors, subfactors, and elements have been completed, you must develop an explanation of the relative importance of each one to the others. For example, if the factor "Technical Approach" is the most important factor, the rationale must be clearly explained.

Relativity among the factors can be established by:

- priority statements,

OR

- numerical relationships of the individual factors.

Remember, numerical formulas limit tradeoff decisions by the SSA later on.

Priority Statements

Priority statements are the preferred method of establishing relative weights. This method allows the SSA more flexibility for trade-off decisions between the technical/business and the differences in the proposed cost/price.

Numerical Relationships

Relative importance based on the numerical relationship between factors occurs when a specific weight is established for each factor. This is the least preferred method. It allows the least flexibility to the SSA.

Relative Importance of Subfactors

The **relative importance** for factors and subfactors MUST be included in the solicitation and should appear in Section M of the RFP.

3.9 Step 6 (cont) EXAMPLES OF RELATIVE IMPORTANCE

Example 1. Priority Statement

Proposals will be evaluated on technical/business qualifications and price. The technical/business qualifications factors will rank as the highest factors in this procurement, and are significantly more important than price, although price will also be important in the evaluation process. Within technical qualifications, there are three subfactors. These are corporate capabilities, key personnel and past performance data. Corporate capability is of greater importance than the other two subfactors. Key personnel and past performance data are of equal importance.

Example 2. Priority Statement

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered. For this solicitation, technical quality is more important than cost or price. *As proposals become more equal in their technical merit, the evaluated cost or price becomes more important.*

The technical evaluation factors listed below are in descending order of importance:

(1) Experience on similar contracts
(2) Quality control system
(3) Capacity to deliver on time

Note: You should recognize the italicized statement is often used but does not change the relative importance of the technical and price/cost factors. It emphasizes the inherent relationship between evaluation factors. As the relative standing of proposals becomes more equal for any one factor the importance of the other evaluation factors increases.

Example 3. Priority Statement

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered. For this solicitation, cost or price is more important than the combined weight of technical factors.

The technical evaluation factors listed below are in descending order of importance:

(1) Management approach
(2) Experience on similar projects
(3) Qualifications of key personnel

Example 4. Priority Statement

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered. For this solicitation, technical quality is more important than cost or price. *When technical proposals are evaluated as essentially equal, cost or price may be the deciding factor. When cost or price proposals are evaluated as essentially equal, technical quality may be the deciding factor.*

The technical evaluation factors listed below are in descending order of importance:

(1) Experience on similar projects
(2) Management approach
(3) Capacity to accomplish work in required time

Note: This is a statement of relative importance that should be avoided. The italicized statement is very misleading. As the relative standing of proposals becomes more equal for any one factor the importance of the other evaluation factors increases.

(Examples continued on next page)

3.9 Step 6 (cont) EXAMPLES OF RELATIVE IMPORTANCE

Example 5. Priority Statement

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered.

The technical evaluation factors listed below are in descending order of importance:

(1) Past performance on similar projects
(2) Management approach
(3) Experience on similar projects
(4) Qualifications of key personnel

Price is less important than the combined weight of the technical factors listed above.

Example 6. Lowest Price Technically Acceptable Proposal

The Government will make award to the offeror(s) submitting the lowest-priced technically acceptable proposal.

"In order to be considered technically acceptable, proposals must meet the following minimum requirements:

(1) Experience on similar contracts. The offeror must demonstrate that it has successfully performed at least three similar contracts within the past 3 years.
(2) Technical specification requirements. The offeror must demonstrate that the product offered complies with the mandatory technical requirements described in Section C.1. of the solicitation.

There is no relative importance for Go/No-Go factors.

Example 7. Numerical Relationship

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered.
The evaluation factors listed below are in descending order of importance:

(1) Past performance on similar projects
(2) Management approach
(3) Experience on similar projects
(4) Qualifications of key personnel
(5) Price/cost

(continued on next page)

3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

3-Step Method for Weighting Evaluation Factors (continued)

STEP	ACTION
1	**Start with the least important factor** and assign a weight of 10. Next, go to the next most important factor and assign a weight that shows how much more important that factor is relative to the least important factor. For example, if the next factor is twice as important as the least important factor, you assign it a weight of 20. Continue this process, working from the least important upward to the most important until all factors have been weighted. For example, suppose you had four factors: • Least important factor = 10 points • Next most important factor is twice as important, so it equals 20 points • Next most important factor is three times as important as the least important, so it equals 30 points • Most important factor is four times as important as the least important, so it equals 40 points. The total points are (10+20+30+40) = 100. Make sure that you do not exceed a total of 100 points for all factors combined.
2	Once you have completed the weighting for all the factors, then return to the least important factor. Use the same process for subfactors. Within each factor, **start with the least important subfactor.** Follow the same procedure as in Step 1. Then go to the next most important subfactor within that factor. Assign a weight that reflects how important it is relative to the least important subfactor. Continue this process until all the subfactors within the least important factor are accounted for before you go on to the next most important factor.
3	The third step is to **"normalize" the weights**. Normalization is a mathematical technique used to make all the factor weights add up to 100 and each group of subfactors to add up to the total weight within that factor. Add up the weight assigned to all the major factors and multiply by 100 to give the final weight. Then within each major factor, multiply the subfactor weight by the major factor weight. Examples of normalizing the weights are given on the next page.

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3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

Example 1 Normalizing the Weights in Factors	An example of this method follows. Assume that there are three major factors in a procurement: Technical, Management and Key Personnel. • Key personnel is the least important. • Management is twice as important as Key Personnel. • Technical is five times as important as Key Personnel. The resulting weights would be: • Key Personnel: 10 • Management: 20 • Technical: 50 If you were distributing 100 points, the relative weights would be: For Key Personnel: 10/80 X 100 = 12.5. For Management: 20/80 X 100 = 25. For Technical: 50/80 X 100 = 62.5
Example 2 Normalizing the Weights in Subfactors	Assume the Management factor consisted of five subordinate subfactors in the following relative order of importance: • Quality Control - 80 • Subcontract Administration - 55 • Government Interface - 50 • Reports and Procedures - 40 • Security - 10 The math for the "Quality Control" subfactor would be: 80/235 X 25 = 8.5.
Weights Less Than One	If, after normalizing, you end up with a weight of less than "one" for any factor, it may be trivial and you should consider deleting it or combining it with another factor.

(continued on next page)

3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors

Next Step

At this point you have determined the evaluation factors and the relative importance of each factor. The next step is how to evaluate each individual factor.

3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule

Decisional Rules

There are two basic ways in which decisions regarding merit are made. They are referred to as "decisional rules." The first is a discrete determination of acceptability (Go/No-Go), the second allows for multiple distinctions of merit. Price is NOT subject to the decisional rules.

Go/No-Go Decisional Rule

The Go/No-Go decisional rule is applied to the evaluation of the factors. The offer either meets or does not meet the minimum standards of acceptability. There is no extra credit awarded for exceeding the standards. Examples of Go/No-Go factors are shown in the next step.

Multiple Distinctions of Merit Decisional Rule

The second decisional rule uses **Multiple Distinctions of Merit.** Instead of just deciding if the offer meets only a minimum standard of acceptability, extra credit may be given for exceeding the minimum standard. This is characterized by "best value" source selection. Award is made to the offer which represents the best value, considering both price and merit.

Distinctions of merit varies depending upon the situation. In some instances, a minimum acceptable level is not established. In some instances, merit distinctions are often restricted to an acceptable range of variation. The key to best value is looking at the relative merits of each proposal and not looking at a level of minimum acceptability.

Using this method, assessment criteria may be established to denote the measures of merit, or what qualities the Government is looking for in the proposal.

When multiple assessment criteria are used with multiple factors or subfactors, an evaluation matrix helps to track and explain the results in an easily understandable fashion.

For example, consider classroom test results: A, B, and C. A^+ is better than A, and A^- is better than B. These varying scores are indicators of multiple distinctions of merit.

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3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

"Assessment Criteria"	Whereas the evaluation factors and subfactors represent the subject matter to be evaluated (what the Government is looking for), the assessment criteria denote the qualities the Government is looking for in the proposal. These qualities may be areas of consideration common to more than one evaluation factor. Examples of assessment criteria are soundness of approach, compliance with requirements, excellence in design, and understanding of the requirement.
Risk Assessment	Risk is often used as an assessment criterion. Risk assessments are usually discussed separately in the evaluation narratives accompanying the factor rating. They can be included in determining the rating for the factor or treated separately. Two of the most common risk assessment criteria are Past Performance and Cost/Price Realism. (1) **Past performance** relates directly to the credibility of the offeror and to the performance risk involved. (2) **Cost/Price realism** relates the proposed cost/price to the level of effort required by the proposal as a means of evaluating the offeror's ability to perform the contract at the offered price.
Past Performance	Past performance must always be included in a source selection valued over $100,000. It can be a Go/No-Go factor or used to determine distinctions of merit. Past performance can also include on-going work.

(continued on next page)

	FACTOR	
MEASURES OF MERIT	SUBFACTOR	SUBFACTOR
(ASSESSMENT CRITERIA)		

REQUEST FOR PROPOSALS (RFP)

The solicitation in negotiated acquisitions.

RESPONSIBLE OFFEROR

An offeror that meets the General and any Special Standards established under FAR 9.104.[48] To be determined responsible under the General Standards, a prospective contractor must—

- Have adequate financial resources to perform the contract, or the ability to obtain them;
- Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
- Have a satisfactory performance record;
- Have a satisfactory record of integrity and business ethics;
- Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, and quality assurance measures applicable to materials to be produced or services to be performed by the prospective contractor and subcontractor);
- Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
- Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

RESPONSIVE

A bid that complies in all material respects with the IFB.[49]

[48]See FAR 9.101
[49]See FAR 14.301(a)

RISK

The probability of not attaining the goals for which the party entered into a contract. For the contractor (seller), the principal business or financial risk is an unexpected loss of money on the contract. For the Government, the principal risk are that:

- The total cost of the acquisition will be higher than expected or unreasonable in relation to the actual costs of performance.
- The contractor will fail to deliver or will not deliver on time.
- The final deliverable will not satisfy the Government's actual need, whether or not “acceptable” under the terms and conditions of the contract.
- The Government's need will change prior to receipt of the deliverable.

RELIABLE FACTOR

A reliable factor is one which can be applied consistently by the source selection evaluators in a uniform manner to rate each proposal the same way with minimum variation among the evaluators.

RELATIVE IMPORTANCE

An explanation of the relative importance of each factor, subfactor and element to each other.

SERVICE CONTRACT

A contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to Furnish an end item of supply.[50]

SOLICITATION PROVISION

A team or condition used only in solicitations and applying only before contract award. Provisions provide information to prospective offerors on such matters as:

- Preparing and submitting offers.
- The evaluation of offers and the offeror's right to protest award.[51]

[50]See FAR 37.101
[51]See FAR 52.101(a)

SOLE SOURCE ACQUISITION	A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source.[52]
SOLICITATION	A document requesting or inviting offerors to submit offers, Solicitations basically consist of (a) a draft contract and (b) provision on preparing and submitting offers.
SOURCE SELECTION	The process of soliciting and evaluating offers for award in a competitive negotiated environment.
SOURCE SELECTION AUTHORITY (SSA)	The Government official in charge of selecting the source.
SOURCE SELECTION ADVISORS	Personnel responsible for providing source selection advice to the SSA and SSEB
SOURCE SELECTION ADVISORY COUNCIL (SSAC)	High level agency personnel that oversee the functioning of the SSEB and that may make recommendations to the SSA.
SOURCE SELECTION EVALUATION BOARD	Specialists who are responsible for assisting the Contracting Officer in developing the source selection plan and for evaluating proposals in accordance with the source selection plan and the RFP.

[52]See FAR 6.003

SOURCE SELECTION PLAN

A plan containing at a minimum the following:

- description of the organization structure
- identify members of the boards or advisors
- proposed presolicitation activities
- summary of the acquisition strategy
- statement of proposed evaluation factors and any significant subfactors, & their relative importance
- description of the evaluation process, methodology, and techniques to be used
- schedule of significant milestones.

SOURCE SELECTION STATEMENT

The statement specifying the source selected by the SSA for the acquisition and the rationale behind the selection.

SPECIFICATION

A description of the technical requirements for a material, product, or service that includes the criteria for determining whether the requirements are met.[53]

STANDARD

A document that establishes engineering and technical limitations and applications of items, materials, processes, methods, designs, and engineering practices; includes any related criteria deemed essential to achieve the highest practical degree of uniformity in materials or products, or the interchangeability of parts used in those products.[54]

[53]See FAR 10.001
[54]See FAR 10.001

STANDARDS OF RESPONSIBILITY Standards which measure whether the offeror is able to provide the supplies or services. FAR 9.103 requires a determination of responsibility. The Go/No-Go decisional rule applies.

SPECIAL STANDARDS OF RESPONSIBILITY Special standards are established to minimize performance risk which is not adequately addressed by normal standards of responsibility.

STATEMENT OF WORK (SOW) The complete description of work to be performed under the contract, encompassing all specifications and standards established or referenced in the contract. The SOW constitutes Part C of the Uniform Contract Format.

STATUTE A law enacted by the legislative branch of Government and signed by the President; identified by a public law number.

SUBCONTRACT Any contract entered into by a prime contractor with any subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

SUBCONTRACTOR Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor.[56]

SUPPLIES All property except land or interest in land, including (but not limited to) public works, buildings, and facilities; ships, floating equipment, and vessels together with parts and accessories; aircraft and aircraft parts, accessories, and equipment; machine tools; and the alteration or installation of any of the foregoing.[57]

SYNOPSIS

(1) A brief description of the supplies and services to be acquired by contract. It also provides prospective offerors with information on obtaining a copy of the IFB or RFP from the responsible contracting office. Synopses are published in the Commerce Business Daily (CBD).[58]

(2) A notice of award published in the Commerce Business Daily (CBD).[59]

[56]See FAR 44.101
[57]See FAR 2.1
[58]See FAR 5.201
[59]See FAR 5.301

TECHNICAL EVALUATION REPORT	The document which records this information for review by the contracting officer, SSEB, or SSA.
TECHNICAL FACTORS	Factors other than price-related used in evaluating offers for award. Examples include technical excellence, management capability, personnel qualifications, prior experience, past performance, and schedule compliance.[60]
TECHNICAL LEVELING AND TRANSFUSION	Negotiation tactics prohibited under FAR 15.610. Technical leveling means helping an offeror to bring its proposal up to the level of other proposals through successive rounds of discussion, such as by pointing out weaknesses resulting from the offeror's lack of diligence, competence, or inventiveness in preparing the proposal. Technical transfusion means disclosing technical information supplied by one offeror (or otherwise pertaining to that offer) to other, competing offerors.[61]
TERMS AND CONDITIONS	All language in a solicitation and contract, including amendments, attachments, and referenced clauses and provisions.
UNIFORM CONTRACT FORMAT	A format for preparing solicitations and contracts prescribed in FAR 14.201-1 and 15.405-1.
VALID FACTOR	A valid factor is one which measures what it claims to measure.

[60]See FAR 9.104-2 and 15.605
[61]See FAR 15.610(d)

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