



ARMY SOURCE SELECTION GUIDE

June 2001

FOREWORD/ACKNOWLEDGEMENTS

At the direction of the Deputy Assistant Secretary of the Army for Procurement, Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), a group of Army procurement professionals representing the Army staff, the Army Materiel Command, the U.S. Army Corps of Engineers, the U.S. Army Forces Command, the Defense Supply Service-Washington and the U. S. Army Space and Missile Defense Command formed an Integrated Product Team to draft this Army-wide Source Selection Guide.

The objective of the Guide was to produce a living document that is web based and lends itself to changes as deemed appropriate. We endeavored to make the Guide simple, straightforward and user-friendly. This document is purposely written as guidance and should not be considered mandatory or regulatory. By incorporating best practices that contracting activities may utilize on an “as-needed” basis, the Guide should prove to be a very valuable tool in conducting source selections.

Special acknowledgement is given to Ms. Pamela Locke, Procurement Analyst at Headquarters, U.S. Army Materiel Command and Ms. Susan Erwin, formerly a Procurement Analyst on the staff of the Deputy Assistant Secretary of the Army for Procurement, now the Director for Contracting, U.S. Army Corps of Engineers Great Lakes and Ohio River Division. Ms. Locke’s tireless contributions, to include formatting the Guide, and Ms. Erwin’s initial Chairmanship of the Team led to this outstanding, well-written technical source of information. Special acknowledgement is also given to Mr. Chip Riley, Senior Procurement Analyst on the staff of the Deputy Assistant Secretary of the Army for Procurement for his role as Co-Chair upon Ms. Erwin’s departure.

I extend my thanks to all who participated and reviewed the draft Guide.



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CHAPTER 1: INTRODUCTION

Purpose

This guide contains information on source selection processes and techniques that may be used for competitive, negotiated acquisitions. The Federal Acquisition Regulation (FAR) and its supplements prescribe the general policies governing these acquisitions. These documents are available on-line at <http://www.deskbook.osd.mil>. Additionally, the following resources contain policies pertaining to source selections:

- [Department of Defense Directive \(DoDD\) 5000.1](#), Defense Acquisition;
- [Department of Defense Instruction \(DoDI\) 5000.2](#), Defense Acquisition Management Policies and Procedures;
- [Interim DoD Regulation 5000.2-R](#), Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs;
- Army Regulation (AR) [25-1](#), The Army Information Resources Management Program;
- The Defense Procurement Web site (<http://www.acq.osd.mil/dp/>); and
- The Army Acquisition Web site (<http://acqnet.sarda.army.mil>).

Scope

The guidance in this document applies to all competitive, negotiated acquisitions, whether conducted as formal or informal source selections, with the following exceptions:

- Contingency contracting (FM [100-10-2](#) and [Army Federal Acquisition Regulation Supplement \(AFARS\) Manual No. 2](#) govern) and
- Architect-Engineer (A&E) contracting (FAR Part [36](#) governs).

The extent to which you will use the processes and techniques described in this guide will depend upon the complexity and dollar value of each acquisition and your available resources. ***Apply prudent business sense to tailor the processes to fit your circumstances.***

Definitions

- **Best Value --** The expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement.
- **Source selection --** The process used in competitive, negotiated contracting to select the proposal that offers the best value to the Government.
- **Source Selection Authority (SSA)** – The Government official responsible for selecting the source(s) in a negotiated acquisition.
- **Formal Source Selection** – The source selection process used for high dollar value or complex acquisitions where someone other than the procuring contracting officer is the SSA. AFARS [15.303](#) provides specific guidance on the appointment of the SSA for major defense acquisition programs, major automated information system acquisition programs, and designated Army acquisition programs.

Procurement Integrity

All personnel involved in the source selection process are responsible for maintaining the integrity of the procurement.

Personnel who are involved in a source selection are subject to the requirements of Procurement Integrity Act (see implementing regulation FAR [3.104](#)). This Act and other similar statutes and regulations impose stringent requirements related to safeguarding of source selection information and other integrity issues. Violation of these requirements could result in civil and/or criminal penalties. Become familiar with

the prohibitions and certification requirements of the Act and similar statutes and regulations that may pertain to your specific acquisition. Direct questions and/or issues regarding procurement integrity policy and regulations to the legal counsel assigned to the source selection.

See [Appendix A](#) for safeguards that you should consider taking to ensure the integrity of your source selection.

CHAPTER 2: GETTING STARTED

Conducting Acquisition Planning

Acquisition planning is paramount!

It is the process by which the Government coordinates and integrates the efforts of all personnel responsible for an acquisition through a comprehensive plan. Its purpose is to satisfy an agency's needs in the most effective, economical and timely manner and should address how the Government will manage the acquisition through all phases of the acquisition life cycle. FAR Part [7](#) addresses policies related to acquisition planning and development of written Acquisition Plans.

Acquisition planning should start when an agency identifies a need for supplies and/or services. When practical, utilize an Integrated Product Team (IPT) approach to develop the acquisition strategy. This early teaming effort will reduce false starts and resultant delays that frequently accompany the preparation of complex procurement requirements. For guidance on establishing IPTs, see the guide entitled [Rules of the Road: A Guide for Leading Successful Integrated Product Teams](#) available in the DoD Deskbook.

Performing Market Research

Market research is the first step in acquisition planning and is essential to designing an acquisition strategy. It is the process of collecting and analyzing information about capabilities within the market that can satisfy an agency's needs. Market research is key to determining whether a commercial item can meet the Government's needs and to identifying associated commercial practices.

Market research will significantly impact the:

- ***selection of evaluation factors,***
- ***contracting and source selection methods, and***
- ***amount and type of requested proposal information.***

The extent of market research and the degree to which you should document the results will vary depending on such factors as urgency, estimated dollar value, complexity, and past experience. In some cases one person will be able to conduct all of the required market research. In other cases, a team effort will be desired. Figure 2-1 illustrates a variety of techniques that you may use in conducting market research.

Figure 2-1 Examples of Market Research Techniques

- *Use general sources of information available from the market place, Government sources, and Internet (The I-Mart market research engine at <http://www.imart.org/> contains numerous links to other Internet sites that contain information that may be helpful in performing market research.)*
- *Contact knowledgeable individuals regarding market capabilities and business practices;*
- *Review the results of recent market research;*
- *Query Government and/or commercial data bases;*
- *Publish formal requests for information in appropriate technical or scientific journals or business publications;*
- *Conduct interchange meetings or hold presolicitation conferences;*
- *Participate in interactive, on-line communication; and*
- *Review catalogs and product literature.*

For more information on market research, see FAR Part [10](#), which addresses related policies and procedures.

Selecting the Evaluation Methodology

TRADEOFF PROCESS

Is appropriate when:

- *The requirement is complex,*
- *You expect substantive differences in the proposed solutions, and*
- *You are willing to pay for added benefits.*

One of the first steps in designing an acquisition strategy is to determine the most effective evaluation methodology to use. On most acquisitions, the tradeoff process will be most effective and will result in the best value to the Government. Use this process when it is in the Government's best interest to consider award to other than the lowest price offeror. Under this process, you evaluate both cost (or price) and non-cost factors and award the contract to the offeror proposing the combination of factors that

represent the best value based on the evaluation criteria. Inherent in this process is the necessity to make tradeoffs considering the non-cost strengths and weaknesses, risks, and the cost (or price) offered in each proposal. The SSA will select the successful offeror by considering these tradeoffs and applying his/her business judgement to determine the proposal that represents the best value.

In the majority of acquisitions, the low priced technically acceptable (LPTA) process will not be an appropriate methodology since past performance must be a mandatory evaluation factor in accordance with the requirements set forth at FAR [15.304](#). This necessitates making tradeoffs. However, there may be situations where the Government would not realize any value from a proposal exceeding the Government's minimum technical requirements. In such a case, you may establish certain standards that a proposal must meet to be considered technically acceptable and then make tradeoffs between only cost (or price) and past performance. In such a scenario, a proposal would not receive any additional credit for exceeding the established standards.

Establishing the Source Selection Organization (SSO)

- ***Overview***

Source selection should be a multidisciplined team effort beginning in the earliest planning stages. The team should include representatives from appropriate functional areas such as contracting, technical, logistics, legal, program management, and user organizations.

The success of any human endeavor is determined to a large degree by the personnel involved. Likewise, the skills, expertise, and experience of the people assigned to source selections are the keys to their success. [Appendix B](#) contains personnel issues to consider when forming an SSO.

The size and composition of the SSO will vary depending upon the requirements of each acquisition. In streamlined source selections, the team may consist of one or more technical evaluators and the contracting officer, serving as the SSA. In complex source selections you may have a distinct compartmental structure consisting of individuals from various functional disciplines. Whether the team is large or small, it should be structured to ensure teamwork, unity of purpose, and appropriate open communication among the team members throughout the process. This will facilitate a comprehensive evaluation and selection of the best value proposal.

The SSA selects the successful offeror(s) and is responsible for proper conduct of the source selection. Other specific responsibilities of the SSA include establishing the SSO, approving the source selection/evaluation plan and solicitation and ensuring consistency between the various acquisition documents applicable to the source selection.

- ***Key Components of the SSO***

In most cases the contracting officer is the SSA. In other acquisitions, the agency head or other official may be the SSA. In these cases, the SSA must be at a level that is fully accountable for the results of the decision and knowledgeable of any factors necessary to determine best value.

In a formal source selection the SSO generally consists of the SSA, a Source Selection Advisory Council (SSAC), and a Source Selection Evaluation Board (SSEB).

Each of these SSO entities has distinct and compartmental functions. The SSEB *evaluates* proposals against the RFP requirements and reports the findings to the SSAC and SSA. The SSAC, composed of high-level agency employees, *compares* proposals against one another and provides an analysis to the SSA. The SSA *selects* the successful offeror(s).

The SSEB is usually comprised of multiple groups of evaluators who are responsible for evaluating specific areas of the proposal against the RFP requirements. The precise structure of the SSEB is a matter of the SSA's discretion. Figure 2-3 illustrates a typical SSO for a complex acquisition.

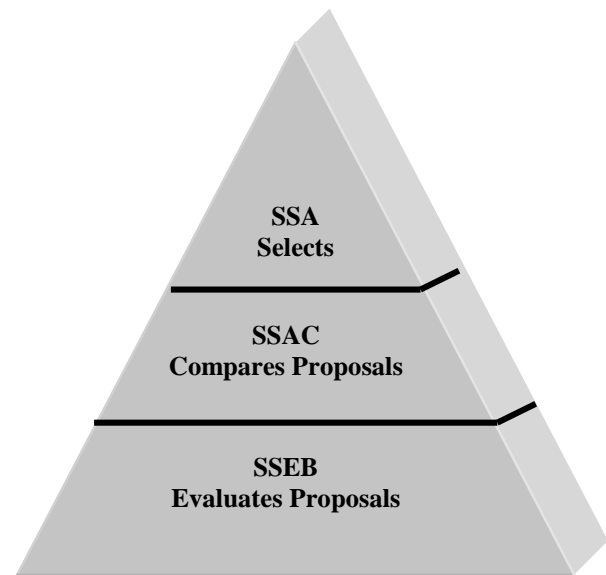
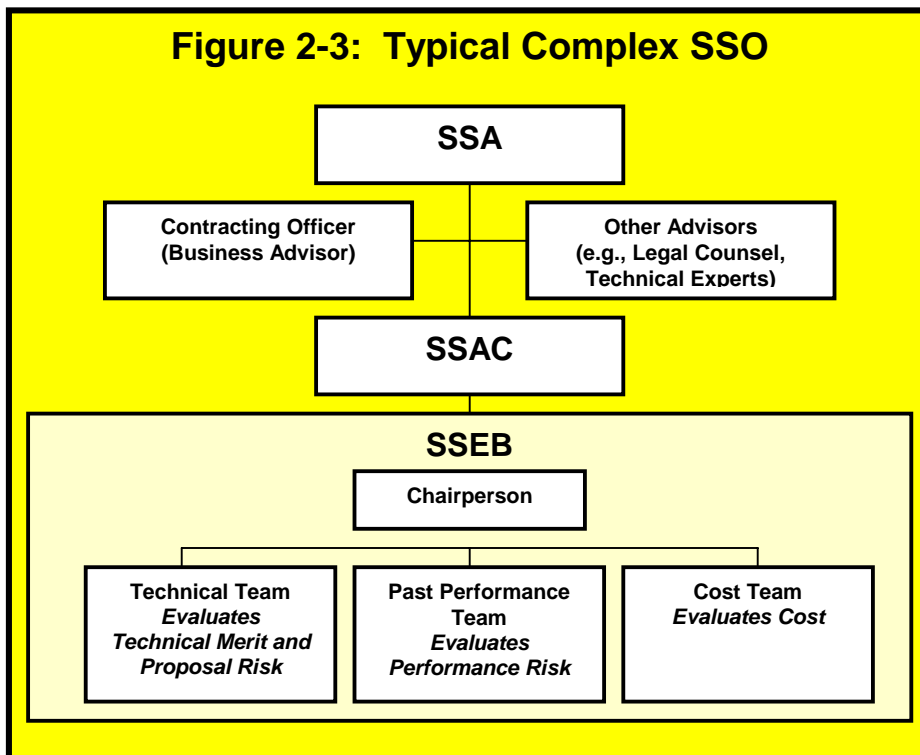


Figure 2-2: SSO Responsibilities



In formal source selections the contracting officer normally serves as a business advisor to the SSO. Regardless, the contracting officer plays a major role in any source selection. At a minimum, the contracting officer serves as the focal point for inquiries from industry, controls all exchanges with offerors (see [Figure 7-1](#)), and executes the contract award. Additionally, legal counsel, small business advisors, and technical experts may also serve as SSO advisors.

- **Administrative Support Considerations**

A successful source selection requires careful planning of the administrative requirements needed to support the SSO. Each acquisition will vary in terms of the administrative support requirements, however, Figure 2-4 contains a checklist of some important requirements common to many acquisitions.

Figure 2-4
Administrative Support Considerations

- ***Adequate facilities (to include spaces for the evaluators and related meetings and for discussions with offerors):*** Consider whether the facilities are of an adequate size, comfortable, properly furnished, secure, disabled accessible, and close to support services such as copiers, restrooms and eating facilities.
- ***Security controls, such as identification badges and access control***
- ***Secure storage space for proposals and source selection materials***
- ***Appropriate computer hardware and software and related support***
(A list of automated source selection tools is shown in [Appendix C.](#))
- ***Adequate telephones, facsimile machines, copiers and/or printing services located in secure areas***
- ***Adequate office supplies***
- ***Lodging and transportation for personnel on temporary duty (TDY).***

CHAPTER 3: SOURCE SELECTION PLAN (SSP)

Purpose

The Source Selection Plan (SSP) is a vital planning document that describes how to evaluate proposals and select the winning offeror(s).

Format

**There is no
specific format
for an S**

Use prudent business judgment to tailor the size and detail of your SSP based upon the complexity of the acquisition. At a minimum, it should include:

- A description of what you are buying;
- A description of the SSO and the duties and responsibilities of each of the key components;
- Planned presolicitation activities (e.g., issuance of a draft solicitation, conduct of presolicitation and/or preproposal conferences, sources sought synopsis, etc.);
- The proposed acquisition strategy, including explanation of the contract type and whether multiple awards are anticipated;
- The proposed evaluation factors and subfactors, their relative importance, and associated standards;
- The proposed evaluation methodology and any proposed innovative techniques; and
- The source selection milestones occurring between receipt of proposals and signing the contract.

Access to the Plan

The plan is source selection information, as defined by FAR [3.104](#). You may not disclose source selection information to any person not authorized to receive the information. Normally only SSO members and personnel from the responsible contracting activity with a need to know are authorized access to the plan.

However, the evaluation factors and significant subfactors and their relative importance will eventually become public knowledge, as they become part of the solicitation. The contracting officer will put them, exactly as they appear in the SSP, into Section M (or equivalent section) of the solicitation.

CHAPTER 4: THE SOLICITATION

Purpose

The Government solicits proposals from potential offerors through issuance of a solicitation. In negotiated procurements this document is called a Request for Proposal (RFP). The RFP includes information necessary for the offerors to understand what the Government is buying, what information they must provide, and how their proposals will be evaluated.

***The success of an acquisition is directly linked to the quality of the RFP.
A well-written RFP will:***

- ***facilitate a fair competition,***
- ***preserve the offerors' flexibility to propose innovative solutions, and***
- ***convey a clear understanding of the Government's requirements and the areas where the offerors can make technical and cost tradeoffs in their proposals.***

Format

The format of the RFP will vary depending upon whether you are buying commercial items subject to FAR [Part 12](#) or other supplies/services. The format for commercial item acquisitions is described in FAR [Part 12](#). Most other acquisitions use the Uniform Contract Format described at FAR [Part 15](#). Both of these formats consist of a number of sections. Each section addresses a different topic, e.g., description of the supplies/services, inspection and acceptance, delivery or performance requirements, contract administration, instructions to offerors, standard provisions and clauses, and evaluation factors.

Common problems with the RFP process

- ***Inconsistency between the RFP and Related Documents*** -- It is important that there be coordination between the development of the RFP and related documents. It is particularly important that there be consistency between the SSP and the RFP. Figure 4-1 illustrates how the key documents and evaluation standards track to one another and shows the recommended sequencing for document preparation.

Figure 4-1
Sample Tracking of Typical Acquisition Documents

WBS	SPECIFICATION AND SOW		EVALUATION FACTORS, SUBFACTORS, AND STANDARDS		SUBMISSION INFO
WORK BREAKDOWN STRUCTURE	SPECIFICATION	STATEMENT OF WORK (SOW)	PROPOSAL EVALUATION INFORMATION Factor - Technical Subfactor - Software Modification Approach	EVALUATION STANDARDS	PROPOSAL SUBMISSION INFORMATION
3.1 Systems Engineering 3.1.1 Software Engineering 3.1.1.1 Software Modification 3.1.1.2 Code 3.1.1.3 Software Documentation	Software code shall meet the computer software design and coding requirements as defined in International Standards Organization (ISO) 9000-3	3.1.1. The contractor shall modify, integrate and test software as specified in the system specification. 3.1.1.3 The contractor shall prepare a software modification plan	The offeror's software modification approach will be evaluated relative to the modified software's ability to accommodate open architecture, tracking accuracy, and reliability	The standard is met if offeror's approach is sound, reflects understanding of the system spec & RFP requirements, and the modified software meets CMM level 2 or higher.	The offeror will describe its approach to software modification and explain how the software will accommodate open architecture, conforms to ISO-9000-3, tracks accurately, and maintains reliability.

- ***Inconsistency Within the RFP*** -- Particularly troublesome are conflicts between the descriptions of the Government's requirements, instructions on how to prepare a proposal, and information related to the evaluation factors and subfactors. This inconsistency may be caused by different groups of people developing the different RFP sections without proper coordination. Such inconsistencies can result in less advantageous offers, necessitate changes to the RFP, cause delays in the acquisition, lead to offerors losing confidence in the process, or result in litigation.
- ***Requesting Too Much Information from the Offerors*** -- The instructions for preparing and submitting proposals are critical to an acquisition. There has to be a link between solicitation requirements, each evaluation factor and subfactor and the proposal preparation instructions. Request only the information needed to evaluate proposals against the evaluation factors and subfactors. Never ask for information you do not intend to evaluate. Instructions that require voluminous information can cause potential offerors to forego responding to the solicitation in favor of a less costly business opportunity. Furthermore, excessively large proposals may increase the time and costs associated with performing the evaluation.
- ***Unnecessary Use of Design Requirements*** -- The way you present the Government's requirements in the RFP can have a significant impact on a source selection using the tradeoff process. Use of detailed design requirements or overly prescriptive statements of work severely limits the offerors' flexibility to propose their best solutions. Instead you should use functional or performance-based requirements to the maximum extent practicable. While it may be more difficult to develop evaluation standards and conduct the evaluation process using this approach, the benefits

warrant it. These benefits include increased competition, access to the best commercial technology, better technical solutions, and fewer situations for protests.

Ways to Improve the RFP process

- A multidisciplined team should develop the RFP. The members should be stakeholders in the acquisition and should continuously coordinate with each other to ensure consistency of the document.
- Promote understanding of the Government's requirements through presolicitation exchanges with industry (see FAR [15.201](#)). This can be accomplished through use of various communication forums such as Commerce Business Daily notices, Advance Planning Briefings for Industry, one-on-one meetings with potential offerors, and/or presolicitation conferences. All presolicitation exchanges and drafts must be posted to the Army Single Face to Industry web site (<http://acquisition.army.mil>).
- Use a Draft RFP and encourage prospective offerors to evaluate and challenge all elements of the acquisition, propose methods to reduce proposal and contract costs, provide feedback on the proposed pricing arrangement, and identify requirements that account for a high percentage of the total cost.
- Information technology facilitates distribution of the RFP and associated presolicitation documents.
- You may find it beneficial to develop a matrix that correlates the RFP sections and content to ensure consistency. Provide industry with a copy of the matrix (make it part of the solicitation) as a reference tool to aid in proposal preparation. This approach promotes understanding of the linkage within the solicitation and explains how all parts of the proposal will be used in the evaluation process.
- Provide specific guidance to offerors regarding the structure of their proposals. The proposal should be divided into distinct volumes or files. These volumes/files should correlate to each of the evaluation teams (e.g., technical, cost (or price), past performance, etc.). You should also prescribe how each volume/file is to be structured. These practices will facilitate distributing the proposal material to the various teams and will make it easier for evaluators to locate specific information in the proposals. NOTE: Paper volumes may only be used as an exception for non-textual items that can not be digitized (i.e. blueprints).
- Maximize the use of appropriate contractual incentives to ensure the resultant contract(s) represent(s) an effective business relationship. (See [Appendix D](#).)
- Depending on your requirements you may find it beneficial to use oral presentations (See [Appendix E](#)).

CHAPTER 5: EVALUATION FACTORS AND SUBFACTORS, WEIGHTS, RATING SCALES, AND STANDARDS

Evaluation Factors and Subfactors

- **Overview**

Factors and subfactors must:

- ***Be definable and measurable in readily understood quantitative and/or qualitative terms,***
- ***Represent the key areas of importance and emphasis to be considered in the source selection decision, and***
- ***Be limited to the essential elements that will enable you to distinguish among the proposals; i.e., will be true discriminators.***

You must place the evaluation factors and subfactors from the SSP into Section M (or equivalent section) of the RFP. You will use the factors and subfactors to select the proposal that represents the best value to the Government. The factors and subfactors give the offerors insight into the significant considerations that you will use in selecting the best value proposal and help them to understand the source selection process.

Selecting the correct evaluation factors and subfactors is the most important

decision in the evaluation process. Structure the evaluation factors and subfactors and their relative importance to clearly reflect the needs of your acquisition. Base them on the user requirements, acquisition objectives, perceived risks and market research/analysis.

- **Mandatory Evaluation Considerations**

In every source selection you must evaluate cost (or price) and the quality of the proposed product or service. Additionally, you must evaluate past performance on all negotiated competitive acquisitions expected to exceed the thresholds identified in FAR [15.304](#), unless the contracting officer documents why it would not be appropriate (see [Appendix F](#)). This exception shall not be used due to the Contracting Officer's belief that all past performance ratings will be the same. There may be other required evaluation factors, such as socioeconomic factors (including small business considerations), based upon regulation and/or statutory requirements (see FAR [15.304](#) and its supplements). From this point, apply prudent business

You may address the quality of the product or service through one or more non-cost evaluation factors; e.g.:

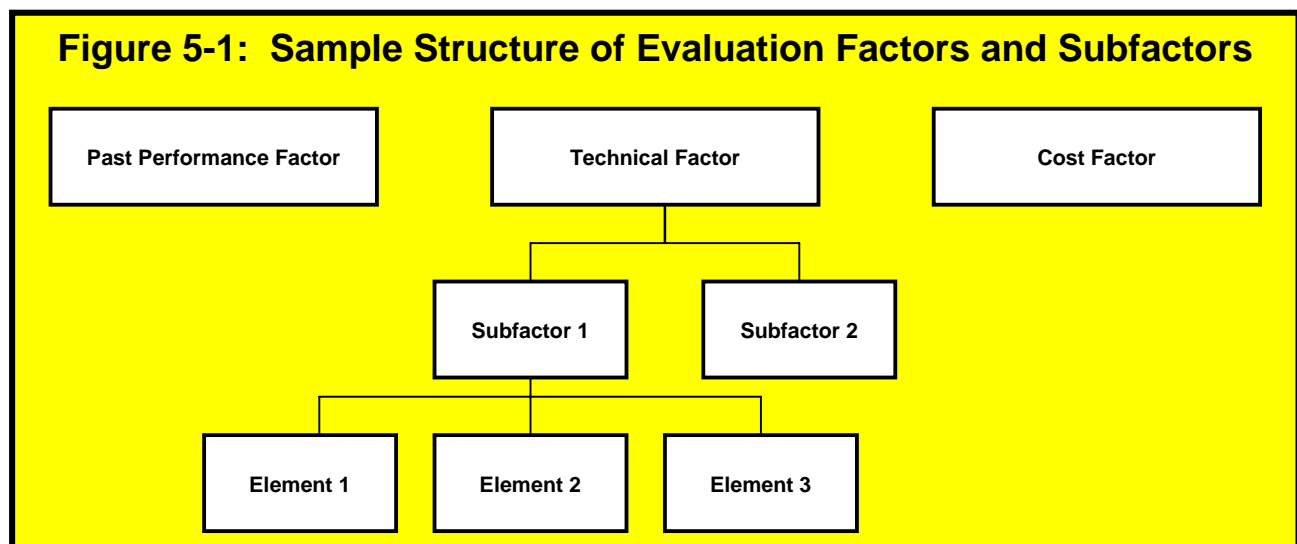
- ***past performance,***
- ***technical excellence,***
- ***management capability,***
- ***personnel qualifications, and***
- ***prior experience.***

judgment to add other evaluation factors, subfactors and elements that are important to selecting the most advantageous proposal(s). You have broad discretion in determining these other factors, subfactors and elements and their relative importance.

Remember that not everything that a contractor will have to provide or perform under the contract may be a discriminator in selecting the best value proposal. It is of utmost importance to limit the evaluation factors and subfactors to those that warrant a comparative evaluation in a particular area. Adding nondiscriminators will dilute the importance of the true discriminators, make proposal preparation more burdensome, require more evaluators, and increase the evaluation time. It is recommended that the baseline contract requirement be established whenever possible. If an offeror cannot meet the baseline requirement they normally are unacceptable and therefore should be eliminated from further consideration.

- **Structure of Evaluation Factors**

Most evaluation factors fall within one of four evaluation areas: Cost (or price), technical, management, or past performance. You may or may not have evaluation factors in each of these areas. Additionally, as appropriate, you may have other evaluation factors and/or may use one or more levels of subfactors. The standard Army naming convention for the various levels is : Evaluation Factor – Subfactor – and Element. Figure 5-1 illustrates a sample evaluation factor structure. *Use caution when subdividing factors into multiple levels of subfactors since it diminishes the importance of any one aspect of the factor.*



- **Developing Evaluation Factors and Subfactors**

As practical, use a multidisciplined team to develop the evaluation factors and any appropriate subfactors. The team should choose the factors and subfactors based on user requirements, acquisition objectives, perceived risks, and thorough market research. Figure 5-2 illustrates the steps involved in developing the factors and subfactors.

Figure 5-2

Steps Involved in Developing Evaluation Factors and Subfactors

- *Conduct market research and identify your probable universe of offerors.*
- *Brainstorm critical factors and subfactors.*
- *Identify key discriminators that are likely to surface in the most advantageous proposals.*
- *Define the discriminators as evaluation factors and subfactors.*
- *Get SSA approval of the list of factors and subfactors.*
- *When a draft RFP is used, clearly inform offerors in the draft RFP of the factors and subfactors and their relative importance.*
- *Assess feedback during presolicitation exchanges to see if the choices are correct.*
- *As necessary, change the factors and subfactors before issuing the RFP.*
- *After issuance of the RFP, do not change the factors and subfactors without obtaining the SSA's approval and amending the RFP and SSP.*

Evaluation Weights

When using the tradeoff process, you must assign relative importance to each evaluation factor and subfactor. Tailor the relative importance to your specific requirements. For example, if you have high technical or performance risk, you should assign more importance to the non-cost factors as compared to the cost (or price) factor.

Figure 5-3

Sample Priority Statement

The technical factor is approximately equal to the past performance factor. Each one is significantly more important than the cost factor.

Use priority statements to express the relative importance of the evaluation factors and subfactors. Priority statements relate one evaluation factor (or subfactor) to each of the other evaluation factors (or subfactors). Figure 5-3 contains a sample priority statement. Numerical weighting; i.e., assigning points or percentages to the evaluation factors and subfactors, is not an authorized method of expressing the relative importance of evaluation factors and subfactors.

Additionally, in accordance with FAR [15.304\(e\)](#), you must identify in the RFP whether all evaluation factors other than cost or price, when combined, are –

- Significantly more important than cost or price,
- Approximately equal to cost or price, or
- Significantly less important than cost or price.

Rating Scales

- ***Overview***

When using the tradeoff process, you evaluate the non-cost portion(s) of the proposal and associated performance and proposal risks using rating scales. These scales must be included in the SSP and may consist of words, colors, or other indicators, with the exception of numbers. (Numerical rating systems appear to give more precise distinctions of merit, but they may obscure the strengths, weaknesses, and risks that support the numbers.) **The success of an evaluation is not so much dependent upon the type(s) of scales used, but rather the consistency with which the evaluators use them.** For this reason, the scales must include definitions for each rating so that the evaluators have a common understanding of how to apply them.

- ***Proposal Merit Rating Scales –***

You must develop rating scales for the evaluators to use to assess the merit of the proposals in respect to the evaluation factors and subfactors. On some acquisitions you may need multiple ratings scales to accommodate the different evaluation factors. Sample proposal merit rating scales are at Figures 5-4 and 5-5. For illustration purposes, these samples display two different rating schemes (adjectival and color coded) and the associated definitions. An actual rating scale would include only one scheme.

When evaluating the merit of a proposal, you may incorporate the assessment of proposal risks into the ratings or you may assess them separately. Figure 5-4 is an example of a proposal merit rating scale that incorporates the risks into the ratings. Conversely, Figure 5-5 is an example of a proposal merit rating scale you would use if you evaluate risks separately. In such a case, you would have to develop a proposal risk rating scale similar to the one at Figure 5-6.

Either of the above methods is acceptable. Using a proposal merit rating scale that incorporates risks into the ratings may be appropriate in situations in which the Government does not want to assume a high level of risk. In this type of situation using such a rating scale facilitates streamlining the evaluation process. However, in cases where the SSA is willing to accept a higher level of risk it may be appropriate to use the separate risk rating scale to highlight the degree of risk associated with a proposal, thereby facilitating the trade-off process. This type of approach is often appropriate for research and development efforts.

Figure 5-4
Sample Proposal Merit Rating Scale
 (with Risk Incorporated into the Ratings)

ADJECTIVAL	COLOR	DEFINITION
Excellent	Dark Blue	Excellent in all respects; offers one or more significant advantages not offset by disadvantages; very good probability of success with overall low degree of risk in meeting the Government's requirements.
Good	Green	High quality in most respects; offers one or more advantages not offset by disadvantages; good probability of success with overall low to moderate degree of risk in meeting the Government's requirements.
Satisfactory	Yellow	Adequate quality; any advantages are offset by disadvantages; fair probability of success with overall moderate to high degree of risk in meeting the Government's requirements.
Susceptible to Being Made Acceptable	Pink	Overall quality cannot be determined because of errors, omissions or deficiencies which are capable of being corrected without a major rewrite or revision of the proposal.
Unsatisfactory	Red	A proposal which contains major errors, omissions or deficiencies, or an unacceptably high degree of risk in meeting the Government's requirements; and these conditions can not be corrected without a major rewrite or revision of the proposal.

Figure 5-5
Sample Proposal Merit Rating Scale
 [with Risk Rated by a Separate Rating Scale (see Figure 5-6)]

ADJECTIVAL	COLOR	DEFINITION
Excellent	Dark Blue	Proposal demonstrates excellent understanding of requirements and approach that significantly exceeds performance or capability standards. Has exceptional strengths that will significantly benefit the Government.
Good	Green	Proposal demonstrates good understanding of requirements and approach that exceeds performance or capability standards. Has one or more strengths that will benefit the Government.
Satisfactory	Yellow	Proposal demonstrates acceptable understanding of requirements and approach that meets performance or capability standards. Acceptable solution. Few or no strengths.
Marginal	Pink	Proposal demonstrates shallow understanding of requirements and approach that only marginally meets performance or capability standards necessary for minimal but acceptable contract performance.
Unsatisfactory	Red	Fails to meet performance or capability standards. Requirements can only be met with major changes to the proposal.

- **Risk Rating Scales**

RISK

is something both the Government and contractor want to keep at a level that is appropriate for the given acquisition. The challenge is to produce a contract that results in an acceptable level of risk for both parties and that the contracting officer can conclude is at a fair and reasonable price. This can indeed be a significant challenge when faced with the reality that as the risk to contract performance is minimized, so is the contractor's argument for a larger profit margin.

There are two types of non-cost risks: performance risk and proposal risk. Performance risk is assessed as part of the past performance evaluation. When the tradeoff process is used, the evaluators will also assess proposal risk.

- **Proposal Risk Rating Scales** – The evaluators must assess and document the risks associated with an offeror's proposed approach for accomplishing the RFP requirements. As discussed previously, this assessment may be accomplished in conjunction with assessing the merit of the proposal (see Figure 5-4). Conversely, you may assess and rate proposal risk using a separate rating scale. A sample of this type of rating scale is at Figure 5-6.

Figure 5-6
Sample Proposal Risk Rating Scale
 (used when you assess risk separately from proposal merit)

ADJECTIVAL	DESCRIPTION
Low Risk	Any proposal weaknesses have little potential to cause disruption of schedule, increase in cost, or degradation of performance. Normal contractor effort and normal Government monitoring will probably minimize any difficulties.
Moderate Risk	Approach has weaknesses that can potentially cause some disruption of schedule, increase in cost, or degradation of performance. However, special contractor emphasis and close Government monitoring will probably minimize difficulties.
High Risk	Approach has weaknesses that have the potential to cause serious disruption of schedule, increase in cost, or degradation of performance even with special contractor emphasis and close Government monitoring

- **Performance Risk Rating Scales** -- Performance risk analysis provides insight into an offeror's probability of successfully completing the solicitation requirements based on the offeror's performance record on similar contract efforts. Performance risks are those risks that are associated with an offeror's likelihood of success in performing the requirements stated in the RFP. You will assess this risk through evaluation of the offeror's past performance (see [Appendix F](#)). Figure 5-7 illustrates an example of this type of rating scale.

Figure 5-7
Sample Performance Risk Rating Scale

ADJECTIVAL	COLOR	DESCRIPTION
Low Risk	Dark Blue	Based on offeror's past performance record, essentially no doubt exists that the offeror will successfully perform the required effort.
Moderate Risk	Green	Based on the offeror's past performance record, some doubt exists that the offeror will successfully perform the required effort.
High Risk	Red	Based on the offeror's past performance record, extreme doubt exists that the offeror will successfully perform the required effort.
Unknown Risk	White	No relevant performance record is identifiable upon which to base a meaningful performance risk prediction. A search was unable to identify any relevant past performance information for the offeror or key team members/subcontractors or their key personnel. This is neither a negative or positive assessment.

- **Applicability to Go/No Go And Minimum Required Evaluation Factors:**

When using the tradeoff process, you may decide to establish one or more of the evaluation factors on either a go/no go or minimum required basis:

- **Go/No Go Evaluation Factors:** These are pass/fail evaluation factors. A proposal must either satisfy the evaluation factor or be ineligible for contract award. You do not establish rating scales for this type of evaluation factor.
- **Minimum Required Evaluation Factors:** These evaluation factors establish a minimum rating a proposal must satisfy. If the proposal does not satisfy this rating, it is ineligible for contract award. Unlike go/no go evaluation factors, you establish rating scales for this type of evaluation factor. The difference between minimum required evaluation factors and the go/no evaluation factors, is that a proposal can receive credit for exceeding the minimum required threshold. For example, assume the minimum required threshold is a “good” rating. If a proposal receives an “unacceptable” rating, it will be ineligible for award. If it receives a good rating, it is eligible for award, but receives no additional credit. If it receives an “excellent” rating, it is eligible for award and will receive additional credit.

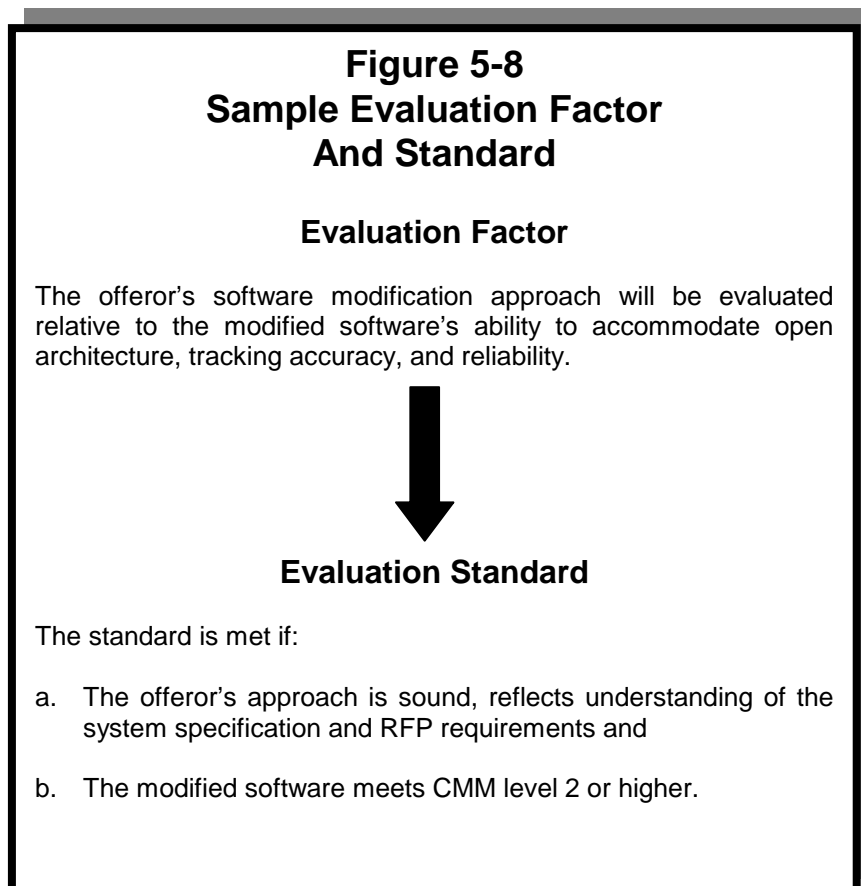
Use caution when deciding to use a go/no go or minimum required evaluation factor, since use of such a factor could result in an otherwise advantageous proposal being excluded from the competition if it fails to meet a satisfy one of these factors or the minimum threshold.

- **Applicability to Cost (or Price) Evaluation:** No rating scales are necessary for cost (or price) evaluations since cost (or price) is not rated or scored. A risk factor associated with the contractor’s ability to perform at the proposed price may be used. For cost-type contracts, cost realism based on the contractor’s proposal (not the Independent Government Cost Estimate - IGCE) must be used for tradeoffs between cost and other factors in determining best value.

Evaluation Standards

Evaluation standards are guides for evaluators to measure how well each offeror has addressed the factors and subfactors. You should develop a standard for each evaluation factor and subfactor. A sample evaluation factor is at Figure 5-8. Using the standards facilitates evaluation against a common basis, thereby minimizing bias that can result from an initial direct comparison of proposals.

The standard specifies a target performance level that the proposal must achieve and should contain guidelines for ratings above or below the target level. Avoid overly general standards as they make it more difficult for the evaluators to reach consensus. Use caution when using quantitative standards as they may represent arbitrary thresholds.



CHAPTER 6: EVALUATION PROCESS

Overview

The SSEB will perform an in-depth, systematic evaluation of the proposals against the evaluation factors and subfactors set forth in the solicitation. Using the evaluation factors, subfactors, and applicable evaluation standards will facilitate an equitable, impartial, and comprehensive evaluation against the solicitation requirements. At this point, the SSEB does not compare proposals against each other. (See [Chapter 8](#) for a discussion of the comparative process.)

While the specific evaluation processes and tasks will vary between source selections, the basic objective remains constant -- ***to provide the SSA with information to make an informed and reasoned selection.*** Towards this end, the evaluators will identify deficiencies, strengths, weaknesses, and uncertainties applicable to each proposal. Figure 6-1 contains definitions for each of these terms. In addition to the SSA using this information to make a source selection, the contracting officer will use it to establish a [competitive range](#) when discussions are necessary and, as appropriate, will provide the information to the respective offeror during clarifications, communications, and/or discussions (see [Figure 7 1](#)).

Figure 6-1
Definitions of Key Evaluation Terms

- **Deficiency** -- A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level. Examples of deficiencies include a statement by the offeror that it cannot or will not meet a requirement, an approach that clearly does not meet a requirement, or omission of data required to assess compliance with the requirement.
- **Strength** -- An aspect of a proposal that appreciably decreases the risk of unsuccessful contract performance or that represents a significant benefit to the Government.
- **Weakness** -- A flaw in the proposal that increases the risk of unsuccessful contract performance. A "significant weakness" in the proposal is a flaw that appreciably increases the risk of unsuccessful contract performance.
- **Uncertainty** -- Any aspect of the proposal for which the intent of the offeror is unclear because there may be more than one way to interpret the offer or because inconsistencies in the offer indicate that there may be an error, omission or mistake. Examples include a mistake in calculation or measurement and contradictory statements.

It is imperative that you have an orderly method for identification, reporting, and tracking each of the items identified in Figure 6-1. Using evaluation forms and automated evaluation tools can ease the administrative burden associated with these tasks. There are a number of commercial evaluation software

packages available and some activities have developed packages in house. [Appendix C](#) lists some of the automated evaluation tools being used by Army activities. Figure 6-2 is a sample form that may be used to report these items when you are not using an automated tool. ***Whatever method you use, it is important that you support the evaluation findings with narrative statements.*** Rating techniques alone are not conclusive data to make a source selection decision.

Figure 6-2
Sample Proposal Evaluation Worksheet

PROPOSAL EVALUATION WORKSHEET		
RFP No:		
EVALUATOR'S NAME:		OFFEROR:
RFP REFERENCES:		PROPOSAL REFERENCES:
FACTOR:	VOLUME/PARAGRAPH:	
SUBFACTOR:	PAGE NUMBER:	
Evaluation Rating: <i>(Insert appropriate rating from applicable rating scale; e.g., Excellent (E) Good (G) Satisfactory (S) Marginal (M) Unsatisfactory (U))</i>		
Proposal Risk Ratings: <i>(Refer to your risk definitions, e.g., [] Low [] Moderate [] High)</i>		
Evaluator's Rating: (Merit/Risk)		
Initial Rating: (e.g., G/M)	Evaluator Initials/ Date:	Team Leader Initials/Date:
Discussions:	Evaluator Initials/ Date:	Team Leader Initials/Date:
Final Rating:	Evaluator Initials/ Date:	Team Leader Initials/Date:
RATIONALE: <i>Include supporting rationale for the ratings. Using the evaluation standards and rating definitions, state the evaluation results in terms of strengths, weaknesses, deficiencies, and uncertainties. Also include any items for negotiations. Identify all comments and questions below with the rating (e.g., Initial Rating (IR), Result of Discussion (RD), or Final Rating (FD). Use continuation sheets or a database as needed and a separate sheet for every factor or subfactor.</i>		
STRENGTHS: <i>(Precede the strength with an (S) if it identifies a significant strength. Address any risks associated with the strength.)</i>		
WEAKNESSES/SIGNIFICANT WEAKNESSES/DEFICIENCIES: <i>(Precede the weakness with an (S) if it identifies a significant weakness. Address the risks associated with the weakness.)</i>		
DEFICIENCIES:		
UNCERTAINTIES:		
ITEMS FOR NEGOTIATIONS (IFNs):		

Evaluation Steps

Following is a discussion of the general steps that the SSEB members will take in evaluating proposals. While these steps are identified in a linear manner, the process is actually iterative and some of the steps may be taken concurrently. Except where noted, these steps apply to evaluation of both the cost and non-cost factors. (However, additional information related to the [past performance](#) and [cost \(or price\) evaluations](#) is provided in other sections of this chapter.) The groups responsible for evaluating past performance, other non-cost factors, and cost (or price) normally perform their evaluations in parallel. As necessary and appropriate, these groups should consult with one another to ensure that the evaluation of each proposal is performed in an integrated, comprehensive manner.

- **Step One: Conduct Preproposal Training** -- Prior to receipt of proposals, each evaluator should become familiar with all pertinent documents; e.g., the RFP, SSP, and rating scales. You should conduct training that includes an overview of these documents and the source selection process, with detailed training on how to properly document each proposal's strengths, weaknesses, and risks. This training is especially crucial when there are evaluators with no prior source selection experience.
- **Step Two: Perform Initial Screening of Proposals** -- Upon receipt of proposals, the contracting officer or his/her designee should conduct an initial screening to ascertain that each offeror has submitted all of the required information, including electronic media, in the quantities and format specified in the RFP. Figure 6-3 is an extract of a sample audit sheet that may be used to accomplish this initial screening.

**Figure 6-3
Sample Audit Sheet**

TAB	TECHNICAL PROPOSAL AUDIT	Circle the applicable response
1: Exec. Summary	Does this tab include a brief synopsis of the technical proposal?	Y / N
	Does it identify the offeror's proposed teaming partners and/or subcontractors and discuss the nature and extent of their proposed involvement in satisfying the Government's requirements?	Y / N
	Is a letter of commitment from each proposed team member and key subcontractor included at this tab?	Y / N
2: Matrix	Does this tab include a matrix which cross references the proposal and Volume 1 solicitation paragraphs (at least all titled paragraphs)?	Y / N
3: Exceptions	Are any exceptions identified at this tab?	Y / N
4: Install/Modify/Terminate and Restore Service	Does this tab address paragraph 2.1 of the solicitation?	Y / N
	Is there a description of the format and content of a typical service restoration plan (as required by SOW para 2.1.5.a)?	Y / N
5: Customer Coordination	Does this tab include a detailed description of the proposed providing customer coordination services, based on	

- **Step Three: Identify and Document Proposal Issues**
Document:

- Proposal language that is ambiguous and
- Instances in which the offeror has not provided enough information to evaluate whether the proposal should be placed in the competitive range or, if discussions are not anticipated, whether the offeror should be awarded the contract.

If the information is required to enhance the Government's understanding of the proposal, the contracting officer may request the amplification and other information from the offeror by means of the communication or clarification process (see [Chapter 7](#)).

- ***Step Four: Identify and Document Deficiencies and Items for Negotiation (IFNs) and (When Using the Tradeoff Process) Proposal Strengths, Weaknesses, and Risks***

The evaluators must identify and document proposal deficiencies and any items for negotiations (IFNs). Additionally:

- The non-cost evaluators must identify and document the proposal strengths, weaknesses and risks and
- The past performance evaluators must identify and document performance risks using the [Performance Risk Rating Scale](#) established in the SSP.”

If cost realism is performed, the cost evaluators will assess cost risks as part of that process. This risk is not scored. [Cost realism analysis](#) results in a most probable cost estimate. The difference between the estimated cost and the most probable cost estimate provides the evaluators insight into the risk associated with performance from a cost perspective. The larger the difference between the cost proposed and the most probable cost estimate, the larger the risk that the offeror does not understand the requirement and/or cost overruns or project failure will occur.

When using the tradeoff process, identification of proposal strengths, weaknesses, risks, and deficiencies is crucial because:

- *The contracting officer will consider these items when determining the [competitive range](#),*
- *They provide the framework for any resultant [discussions](#) and [debriefings](#), and*
- *Specific information on the relative strengths and weaknesses is the basis for tradeoff analysis and the source selection decision.*

- ***Step Five: Assign Ratings for Non-Cost Evaluation Factors when using the Tradeoff Process***

When using the tradeoff process, the evaluation will assign the non-cost evaluation factors. At this point, the evaluators may or may not individually assign ratings to each evaluation factor or subfactor for which they are responsible. At a minimum, each evaluation group must convene to discuss the offeror's proposal. The purpose of the discussion is to share their views on the offeror's strengths, weaknesses, risks and deficiencies related to their assigned evaluation factor(s)/subfactor(s) and to reach a final consensus rating for each factor and subfactor using the [Proposal Merit Rating Scale\(s\)](#) identified in the SSP.

Simple averaging of the individual evaluation results does not constitute consensus. Consensus requires a meeting of the minds on the assigned rating and associated deficiencies, strengths, weaknesses, and risks. In exceptional cases where the evaluators are unable to reach an agreement without unreasonably delaying the source selection process, the evaluation report may include the majority conclusion and the dissenting view(s) each with supporting rationale.

- ***Step Six: Prepare a Summary Evaluation Report***

The final step is to prepare a summary report that includes for each proposal the evaluated price; the final rating for each evaluation factor and subfactor; and a discussion of the associated strengths, weaknesses, deficiencies, and risks. You may find it beneficial to utilize a [matrix](#) such as the one at Figure 8-3.

Past Performance Evaluations

The past performance evaluators assess the performance risk associated with each proposal. The final assessment describes the degree of confidence you have in the offeror's probability/likelihood of successful contract performance based on that offeror's demonstrated record of performance under similar contracts. [Appendix F](#) and [Appendix G](#) contain procedures for evaluating past performance.

Cost (or Price) Evaluations

For FP contracts, the evaluation is usually as simple as comparing the offered prices to ensure they are fair and reasonable. FP contracts also should be evaluated as to their appropriateness (i.e. consider market prices, appropriate risk and the possibility of a "buy-in") as to what is being offered. For cost-reimbursement contracts, you must analyze the offerors' estimated costs for both realism and reasonableness. The cost realism analysis enables you to determine each offeror's most probable cost of performance. This precludes an award decision based on an overly optimistic cost estimate. Additionally, whenever you perform cost analysis you must also perform profit or fee analysis.

Cost (or price) must be an evaluation factor in all source selections.

The specific cost (or price) evaluation process will depend upon whether the resultant contracts will be fixed price (FP) or cost reimbursement.

Figure 6-4 provides a side-by-side comparison of what price analysis, cost analysis, cost realism analysis, and profit or fee analysis are and when they must be used. For detailed instructions and professional guidance on how to conduct these analyses, refer to the FAR [15.4](#) and Contract Pricing Reference Guides available on-line at http://www.acq.osd.mil/dp/cpf/pgv1_0/pgchindex.html. Additionally, refer to [Appendix H](#) for a general description of the cost realism analysis process.

Figure 6-4
Comparison of Price, Cost, Cost Realism, and Profit Analyses

	Price Analysis	Cost Analysis	Cost Realism Analysis	Profit/Fee Analysis
What is it?	<p>The process of examining and evaluating an offeror's proposed price to determine if it is fair and reasonable without evaluating its separate cost elements and proposed profit/fee.</p> <p>Price analysis always involves some sort of comparison with other prices; e.g., comparing an offeror's proposed price with the proposed prices of competing offerors or with previously proposed prices for the same or similar items.</p>	<p>The review and evaluation of the separate cost elements and profit/fee in an offeror's proposal and the application of judgment to determine how well the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency.</p>	<p>The process of independently evaluating specific elements of each offeror's cost estimate to determine whether the estimated cost elements are:</p> <ul style="list-style-type: none"> • Realistic for the work to be performed; • Reflect a clear understanding of the requirements; and • Are consistent with the unique methods of performance and materials described in the offeror's technical proposal. <p>The most probable cost estimate is a product of a cost realism analysis.</p>	<p>The process of examining the proposed profit or fee to determine if it is reasonable in light of the associated risks.</p> <p>DFARS 215.404-4 contains DoD's policy on performing profit or fee analysis.</p>
When must you perform it?	<p>On all procurements (even when cost analysis is conducted) to determine if the overall price is fair and reasonable.</p>	<p>When cost or pricing data is required.</p> <p>Also you may use it to evaluate information other than cost or pricing data to determine cost reasonableness or cost realism.</p>	<p>When cost-reimbursement contracts are anticipated.</p> <p>Also you may use it on FP incentive contracts or, in exceptional cases, on other competitive FP contracts when the offerors may not fully understand new requirements, there are quality concerns, or past experience indicates contractors' proposed costs have resulted in quality/service shortfalls.</p>	<p>When cost analysis is performed.</p>

The Independent Government Cost Estimate (IGCE) plays a key role in both cost and price analysis. It serves as a benchmark for price analysis and in cost realism, it may also serve as a benchmark for individual cost elements.

Following are some general evaluation guidelines and recommendations for evaluating cost (or price):

- The cost (or price) evaluators should coordinate with the non-cost evaluators as necessary to ensure consistency between the proposed costs (or prices) and other portions of the proposal. This interchange between evaluation committees/groups is part of the initial validation exercise and should be continued throughout the evaluation process to assure that interrelationships are promptly identified and the evaluation findings reflect their recognition. This will be beneficial for both the non-cost and cost (or price) evaluators. For example, a clue to the soundness of a technical prediction can often be obtained from an analysis of the related CLIN structure. Conversely, when deficiencies are uncovered in the technical proposal, inadequacies in the cost (or price), management, and other proposal components may be revealed.
- While interchange between the evaluation committees/groups is paramount, it is necessary to protect the cost (or pricing) data to avoid intentional or unintentional bias on the part of the evaluators. To preclude prejudice, in most cases you should not disclose cost (or pricing) information to the non-cost evaluators. However, in such cases, do provide the non-cost evaluators copies of the proposed contract line item numbers (CLINs) without costs (or prices) so that they can ensure the proposed CLINS track to the associated narrative.
- When conducting price analysis, consider not only the total price, including options, but also the prices for the individual CLINS to ensure they are not unbalanced. {PRIVATE "TYPE=PICT;ALT=Previous Hit"} Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly over or understated as indicated by the application of cost or price analysis techniques. For more information on unbalanced pricing see FAR 15.404-1.
- In some cases, you may find it beneficial to utilize on-line reverse auctions as a pricing tool. See [Appendix I](#) for more information on this tool.

CHAPTER 7: EXCHANGES WITH OFFERORS (AFTER RECEIPT OF PROPOSALS)

Overview

The primary purpose of exchanges is to maximize the Government's ability to get the best value, based on the requirements and evaluation factors stated in the solicitation. Exchanges with offerors after receipt of proposals allows the Government to get information needed to better understand proposals and make best value decisions.

The contracting officer controls all exchanges with offerors. Before participating in any exchanges, the contracting officer should review the ground rules with the team members.

GROUND RULES FOR EXCHANGES

During exchanges with offerors, the Government may not:

- ***Favor one offeror over another,***
- ***Reveal an offeror's solution to another offeror,***
- ***Reveal an offeror's price without that offeror's permission,***
- ***Knowingly disclose source selection information, or***
- ***Reveal the name of individuals providing past performance information.***

Types of Exchanges

After receipt of proposals, there are three types of exchanges that may occur between the Government and offerors -- clarifications, communications and negotiations or discussions. They differ on when they occur, their purposes and scopes, and whether offerors are allowed to revise their proposal as a result of the exchanges. Figure 7-1 provides a side-by-side comparison of the three types of exchanges.

**Figure 7-1: Comparison of Types of Exchanges
(After Receipt of Proposals)**

	Clarifications	Communications	Negotiations/Discussions
When They Occur	When award WITHOUT discussions is contemplated	When award WITH discussions is contemplated -- prior to establishing the competitive range	After establishing the competitive range Note: The term “negotiations” applies to both competitive and non-competitive acquisitions. In a competitive acquisition, negotiations are also called discussions.
Scope of the Exchanges	Most limited of the three types of exchanges	Limited; similar to fact finding	Most detailed and extensive
Purpose	To clarify certain aspects of proposals	To enhance the Government’s understanding of the proposal by addressing issues that must be explored to determine whether a proposal should be placed in the competitive range	To allow the offeror an opportunity to revise its proposal so that the Government obtains the best value, based on the requirement and applicable evaluation factors
Examples of Topics of Exchanges	<ul style="list-style-type: none"> • Relevance of an offeror’s past performance • Adverse past performance information • Resolution of minor or clerical errors. 	<ul style="list-style-type: none"> • Ambiguities or other concerns (e.g., perceived deficiencies, weaknesses, errors, omissions, or mistakes) • Relevance of an offeror’s past performance • Adverse past performance information 	See examples of potential discussion topics at Figure 7-3 .
Are Resultant Proposal Revisions Allowed?	No	No	Yes

Contract Awards Without Discussions

Before issuing a solicitation, you must decide whether or not you intend to award the resultant contract(s) without discussions. In making this decision, consider whether or not you are likely to obtain best value without discussions. An award without discussions is most likely to result in best value when requirements are clear, commodities are known or stable, and the marketplace is extremely competitive.

The solicitation must clearly communicate the Government’s intention to award without discussions (reference FAR 15.209(a)). However, even if the solicitation stated this intention, you may still hold discussions, if appropriate, provided the contracting officer documents the file as to why discussions were necessary. You are cautioned, however, that you must not abuse this privilege. Legislative history indicates that if you constantly conduct discussions even though you have notified offerors that you intend to award without discussions, such abuse will probably lead to legislative repeal of this privilege.

Contract Awards with Discussions

- ***Prior To Establishment of the Competitive Range***

The contracting officer must conduct communications with offerors whose past performance is the determining factor that prevents them from being placed within the competitive range. You must give the offeror an opportunity to address any adverse past performance information to which the offeror has not previously had an opportunity to comment. Otherwise, conduct communications only with those offerors who are neither clearly in nor clearly out of the competitive range.

Ask only questions necessary to understand the proposal, to include clearing up gray areas, and to make the competitive range determination.

Once you have enough information to decide how the proposal should be rated, the contracting officer will establish the competitive range.

- ***Establishing the Competitive Range***

The contracting officer will establish a competitive range before conducting discussions. The SSA, if other than the PCO, must approve the competitive range determination. In general, the courts will not overturn a competitive range determination in the absence of a showing that the agency has abused its discretion.

The competitive range will consist of all the most highly rated proposals. The competitive range should be reduced for efficiency from among the most highly rated proposals. This should normally be composed of the top 2 to 5 offers received. Establishing the competitive range:

- Results in greater efficiency by limiting the number of offerors with whom you must hold discussions and
- Precludes offerors who are eliminated from consideration from having to spend additional resources just to make their proposals competitive with the rest of the field.

The contracting officer determines which proposals are within the competitive range based on the evaluated price and other evaluation factors included in the RFP. The contracting officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals. In such case, the RFP must clearly state that the Government reserves the right to limit the competitive range for the purposes of efficiency. However, you should not establish predetermined cut-off ratings or identify a predetermined number of offerors

that will be included in the competitive range. *Rather, the contracting officer should make the competitive range determination using prudent business judgment based on the specifics of the source selection.* Figure 7-2 identifies the steps involved in developing a competitive range.

Figure 7-2: Development of a Competitive Range

Step 1.	Identify the most highly rated proposals. (Note: If there is only one proposal falling within the competitive range, ensure the evaluation factors and subfactors are not too restrictive and the procurement is truly competitive.)
Step 2.	<p>If these proposals exceed the number at which an efficient competition can be conducted and the RFP allows restricting the competitive range, limit the competitive range to the greatest number of proposals that will permit an efficient competition among the most highly rated proposals. In such a case, the basis for this further restriction must be adequately documented. The current attitude is “when in doubt, leave out.” However, before doing so consider the following:</p> <ul style="list-style-type: none"> ➤ The expected dollar value of the award, ➤ The complexity of the acquisition and solutions proposed, ➤ The extent of available resources, and ➤ The risks to the Government associated with an unbalanced price (reference FAR 15.404-1(g)).
Step 3.	Obtain the SSA’s approval to exclude offerors from the competitive range.
Step 4.	Document the competitive range determination and the supporting rationale.
Step 5.	Promptly send written notification to the offeror(s) whose proposal is excluded from the competitive range (see Chapter 9).

The contracting officer should continually reassess the competitive range as discussions and evaluations continue, to ensure neither the Government nor the offerors waste resources by keeping proposals in that are no longer contenders for award. If an offeror is no longer considered to be a contender for award, you may eliminate the offeror whether or not all material aspects of the proposal have been discussed. You do not have to afford the offeror an opportunity to submit a proposal revision. However, the contracting officer must notify the offeror immediately of its elimination from the competitive range. See [Chapter 9](#) that addresses pre-award and post-award notifications.

- **After Establishment of the Competitive Range**

The contracting officer must conduct meaningful discussions with all offerors within the competitive range. The contracting officer will tailor the discussions to each offeror's proposal relative to the solicitation requirements and evaluation factors. *To be meaningful, at a minimum, discussions must include identification of all evaluated deficiencies, significant weaknesses, any concerns about past performance information, uncertainties, and other proposal aspects that should be altered or explained to materially enhance an offeror's award potential.*

In addition to this mandatory part of discussions, it is often advantageous to engage in hard bargaining with the offerors to ensure you obtain the best value solution at a fair and reasonable price. This kind of discussion can only take place with offerors that are within the competitive range.

Figure 7-3: Items for Discussion

For discussions to be meaningful, at a minimum, address the following items:

- **Deficiencies***
- **Weaknesses*** – Discuss significant weaknesses; i.e., those that are important enough to cause an evaluation factor to be rated marginal or unsatisfactory or the probability of not meeting a requirement to be moderate to high risk. Also discuss minor weaknesses if the cumulative impact is significant.
- **Uncertainties***
- **Past Performance Concern** -- Including relevancy and any adverse Information about which the offeror has not previously had an opportunity to comment.

Additionally, you may find it advantageous to address the following items:

- **Significant Strengths*** – When significant proposal revisions are anticipated as a result of discussions, consider advising the offeror of significant strengths in their proposals. This will preclude the offeror from unknowingly eliminating or diminishing a desirable aspect of their proposal. In addition, this will enable the offeror to make informed tradeoff decisions.
- **Items Subject to Bargaining** -- e.g., price, schedule, technical requirements, type of contract, or other contract terms

*See **Figure 6-1** for a definition of this term.

The contracting officer will confirm information obtained through discussions by requesting or allowing proposal revisions, as appropriate, from offerors who are within the competitive range and still eligible for selection. You should require offerors to submit written proposal changes resulting from discussions before requesting final proposal revisions. As necessary, this will allow you to conduct further discussions before the final cutoff date.

After receipt of the offerors' responses to all issues raised during discussions, you must re-evaluate proposals. Factors impacted by the responses must be rated again in the same manner as in the initial evaluation.

At the conclusion of discussions, the contracting officer must give all offerors remaining in the competitive range an opportunity to improve their proposal by submitting final proposal revisions by a common cutoff date and time. You must notify the offerors that any late responses are subject to the provision on late submissions. After receipt of final proposal revisions, you can request clarification of minor irregularities without any additional request for final proposal revisions from all offerors. If further negotiations are necessary, you must extend a second final proposal revision opportunity to all offerors.

CHAPTER 8: SELECTION AND AWARD

Proposal Comparison

- **Overview**

After the evaluators have completed the final evaluation of the individual proposals, the SSA will compare them to determine the one(s) that represents the best value based on the stated evaluation factors. In more complex source selections, the SSA will usually require the SSAC (or SSEB in the absence of a SSAC) to perform this comparison.

In tradeoff acquisitions, the comparison process is complex and depending upon the evaluation factors, the SSA may exercise a significant degree of judgment in selecting the successful offeror(s). The evaluation ratings are merely labels. The SSA must not base his decision on these summary indicators, but rather on a detailed comparison of the strengths and weaknesses of the competing proposals. If the lowest-priced proposal is not the most superior proposal in terms of non-cost factors, a tradeoff analysis is required.

- **Tradeoff Analysis**

Tradeoff analysis is a subjective process in that it requires the SSA to exercise reasonable business judgment. When performing this analysis, consider each proposal's total evaluated price and the significance of the differences in the non-cost ratings as indicated by each proposal's strengths, weaknesses, and risks. Consider these differences in light of the relative importance of each evaluation factor. Figure 8-1 identifies suggested steps in performing tradeoff analysis.

Figure 8-1

Suggested Steps in Performing Tradeoff Analysis

- Step 1.** Identify the proposal differences that surfaced during evaluations.
- Step 2.** Analyze their impact on the acquisition objectives in light of the relative importance of the evaluation factors.
- Step 3.** As appropriate, compare proposals.
- Step 4.** Assess the best mix of cost (or price) and non-cost benefits and determine whether the strengths of higher-rated proposals are worth the price premium.

Documenting the Proposal Comparison

The SSAC (or SSEB in absence of the SSAC and when required by the SSA) must prepare documentation explaining the final results of the evaluation and proposal comparison. This will not

include a selection recommendation. The SSA will use this documentation as an aid when making the selection decision based upon exercising prudent business judgment as to who proffers the “Best Value.” For more complex source selections, the SSAC and/or SSEB members relay the information to the SSA by means of one or more briefings and/or a formal report. Figure 8-2 illustrates a sample format for the report; Figures 8-3 and 8-4 illustrate sample attachments to the report. For less complex source selections, the information may be included as part of the Price Negotiation Memorandum. Either way, the documentation should be clear and concise and should cross-reference rather than repeat information in existing documents as much as possible (e.g., the SSP, evaluation team reports, etc.).

Figure 8-2 Sample Comparative Analysis Report Format

- I. **INTRODUCTION:** Include information such as data about the SSP; basis for award and evaluation factors and subfactors; SSO structure; summary of the solicitation requirements; and the number of offerors solicited, responded, and in the competitive range.
- II. **EVALUATION RESULTS:** Summarize the evaluation results of each offeror's proposal. You may use a matrix such as the example at Figure 8-3.
- III. **COMPARATIVE ANALYSIS OF PROPOSALS:** Compare both cost and non-cost factors of the proposals; you may use a matrix such as the example at Figure 8-4. Discuss the evaluation factors and subfactors first individually and then comparatively. Include each proposal's major strengths and weaknesses as well as the details and results of the technical tradeoff analysis and justification for payment of a premium.
- IV. **RISK ASSESSMENT:** Discuss the overall impact of significant risks associated with each proposal within the competitive range, including production and performance risks and the degree of confidence in the realism of the offeror's cost or price proposal. (Note: This may be a separate paragraph as shown in this sample or integrated into the discussion of the strengths and weaknesses in paragraph III above.)
- V. **SUMMARY:** Summarize the comparative analyses, expressed in brief statements, and of the issues considered significant to the SSA's decision. Do not include a selection recommendation.

Figure 8-3
Sample Individual Proposal Evaluation Results Matrix

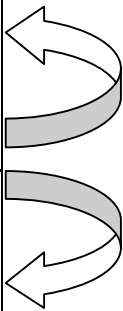
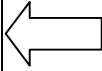
<p align="center">FACTORS</p> <p align="center">TECHNICAL MERIT</p> <p>Summarizes assessment of the offeror's proposal as measured against the technical subfactors</p> <p align="center">Example: Good</p>	 <p>Technical Subfactor 1 Technical Subfactor 2 Technical Subfactor 3</p>
<p align="center">PROPOSAL RISK</p> <p>Summarizes assessment of the weaknesses and risks associated with the offeror's proposed approach derived from the technical evaluation</p> <p align="center">Example: Low Risk</p>	
<p align="center">PERFORMANCE RISK</p> <p>Summarizes assessment of the offeror's demonstrated performance on recent, relevant contracts relative to the past performance subfactors.</p> <p align="center">Example: Moderate Risk</p>	 <p>Past Performance Subfactor 1 Past Performance Subfactor 2 Past Performance Subfactor 3 Past Performance Subfactor 4</p>
<p align="center">COST (OR PRICE)</p> <p>Reflects the total proposed cost (or price). Where cost realism is evaluated, the cost also reflects the most probable cost resulting from any adjustments made for cost realism.</p> <p align="center">Example: Proposed Cost \$XXX Most Probable Cost \$XXX</p>	

Figure 8-4
Sample Matrix Summarizing A Typical Proposal Comparison

OFFEROR	TECHNICAL		PERFORMANCE RISK	EVALUATED COST (Most Probable Cost)
	TECHNICAL MERIT	PROPOSAL RISK*		
A	Excellent	Low	Low	\$171,503,971
B	Excellent	Moderate	Moderate	\$134,983,305
C	Good	Low	Moderate	\$120,976,836
D	Excellent	Moderate	Moderate	\$150,840,308
E	Satisfactory	Moderate	Low	\$115,751,933

*Note: This column would not be used if you assess proposal risk as part of proposal merit.

Source Selection Decision

The SSA must make the source selection decision using rational and independent judgment based on a comparative analysis of the proposals. The analysis must be consistent with the evaluation factors and process described in the RFP and SSP. Beyond this the SSA has broad discretion in making the source selection decision.

The SSA may not rely merely on the evaluation ratings and scores alone. To determine which proposal provides the best value, the SSA must analyze the differences between competing proposals. This analysis must be based on the facts and circumstances of the specific acquisition. The SSA is not bound by the rankings, or scores, of the SSEB or SSAC, as long as the SSA has a rational basis for the differing opinion.

Figure 8-5
Source Selection Decision Criteria

***THE SOURCE SELECTION DECISION
MUST:***

- ***Represent the SSA's rational and independent judgment;***
- ***Be based on a comparative analysis of the proposals;***
- ***Be consistent with solicitation evaluation factors and subfactors; and***

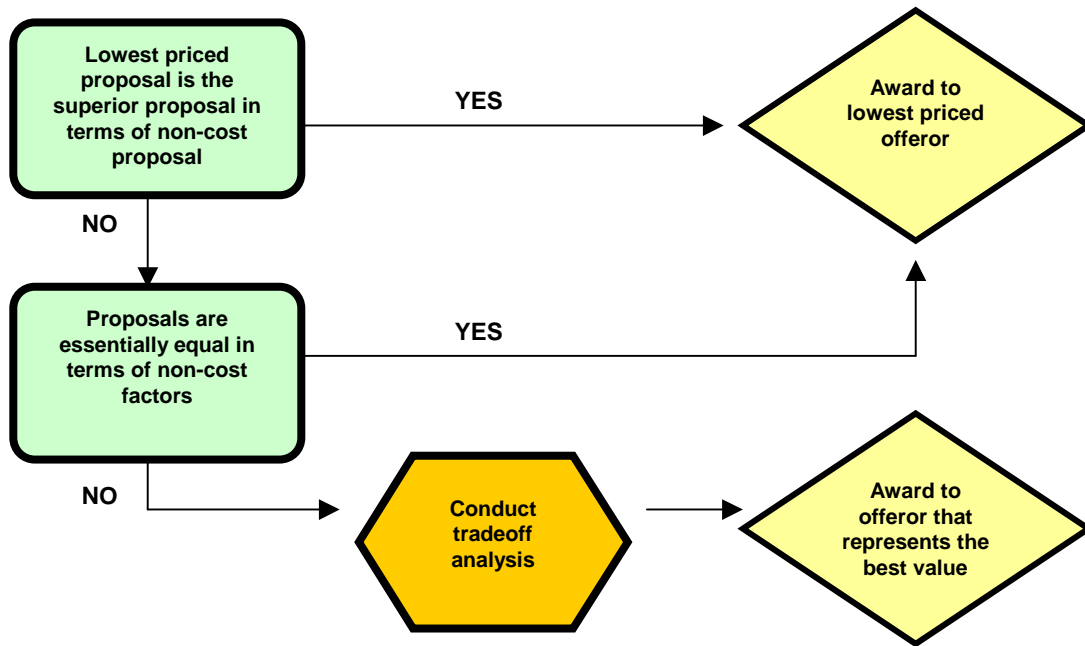
While the SSA may use the evaluation findings and analysis prepared by the SSAC/SSEB, the SSA must make the source selection decision based on his/her independent judgment. If the SSA has doubts about the evaluation findings and/or analysis, he/she may require the SSEB and/or SSAC to conduct a complete or partial reevaluation and/or analysis. Additionally, the SSA has the authority to convene a new SSEB and/or SSAC or to personally rescore or conduct his/her own evaluation.

There are three basic outcomes of the SSA's comparative analysis:

- The lowest-priced proposal is superior in terms of non-cost factors,
- The proposals are essentially equal in terms of non-cost factors,
- The lowest-priced proposal is not the most superior in terms of non-cost factors.

In the first two outcomes the decision is fairly clear award should be made to the lowest-priced offeror. However, in the case of the third outcome the decision is not as clear. The SSA must consider whether or not the benefits of the non-cost strengths warrant the additional price premium. Figure 8-6 is a decision model that the SSA may use in determining the successful offeror(s). While the decision model appears simple, the process is far from simple. The evaluation, comparative analysis, and tradeoff processes require a good deal of subjectivity and judgment. For this reason, any two SSAs may arrive at different selection decisions, both of which satisfy the criteria reflected in Figure 8-5.

Figure 8-6
Decision Model for Determining the Successful Offeror(s)



Documenting the Source Selection Decision

The SSA must document his/her rationale for selecting the successful offeror(s) in an independent, stand-alone document. The source selection decision document should explain how the successful proposal(s) measured up against other offerors' proposals based on the evaluation factors and subfactors in the solicitation and should discuss the judgment used in making tradeoffs. Figure 8-7 illustrates the type of information that must be included in the source selection decision document.

The SSA may quantitatively or qualitatively justify the payment or nonpayment of a cost or price premium, provided his/her assessment is well reasoned. When the SSA determines that the best value proposal is other than the lowest-priced proposal, the document must explicitly justify paying a price premium regardless of the superiority of the proposal's non-cost rating. The justification must clearly state what benefits or advantages the Government is getting for the added price and why it is in the Government's interest to expend the additional funds. This justification is required even when the solicitation indicates that non-cost factors are more important than cost (or price).

Where the SSA determines the non-cost benefits offered by the higher-priced, technically superior proposal are not worth the price premium, an explicit justification is also necessary. In this case, the document must clearly show why it is reasonable in light of the differences to pay less money for a proposal of lesser technical merit.

This document becomes part of the official contract file and can even be released, provided that any information exempt under the Freedom of Information Act (FOIA) is not released. You may find it

beneficial to provide the unsuccessful offeror(s) a copy of the document at their debriefing(s). If you do choose to provide them copies, you must redact the copies to remove information pertinent to other unsuccessful offerors and information that is exempt under FOIA.

Figure 8-7 Sample Source Selection Decision Document

1. **Decision Statement..** *Example: As Source Selection Authority for this acquisition, I have determined that the ____ product/service proposed by Offeror C provides the best overall value to satisfy Army needs. This selection was made based upon the factors and subfactors established in the solicitation and my integrated assessment and comparison of the strengths, weaknesses, and risks of the proposals submitted in response to the solicitation. This memorandum documents the basis for my decision.*
2. **Brief description of the product/service being procured.**
3. **Brief description of the basis for award, including the major factors against which proposals were measured and their relative order of importance.**
4. **A list of offerors in the competitive range.**
5. **Rationale for business judgments and tradeoffs.** Include the following:
 - *Succinct comparison of each proposal, focusing on key proposal differences (strengths, weaknesses, and risks) that surfaced in the evaluation and their impact on the acquisition.*
 - *Explanation of specific tradeoffs that led to the decision.*
 - *Explanation of specific benefits of the technically superior offeror(s) and why they are or are not significant enough to warrant any additional cost.*
6. **Summary.** *Example: In summary, based on my integrated assessment of all proposals in accordance with the specified evaluation factors and subfactors, it is my decision that Offeror C's proposal offers the best overall value.*

Awarding the Contract(s)

After the SSA has signed the Source Selection Decision document, the contracting officer will execute and distribute the contract(s).

CHAPTER 9: NOTIFICATION OF UNSUCCESSFUL OFFERORS

The contracting officer must promptly notify unsuccessful offerors in writing after contract award or whenever their proposals are eliminated from the competition. The type of information that must be included in the notice will depend upon whether it is sent before or after contract award. Figure 9-1 provides a side-by-side comparison of the differences between pre-award and post-award notices.

Figure 9-1
Comparison of Pre-award and Post-award Notices

	PRE-AWARD NOTICE	POST-AWARD NOTICE
Who Must be Notified?	Any offeror whose proposal was excluded from the competitive range or otherwise eliminated from the competition before contract award.	Any offeror whose proposal was in the competitive range bu5al 33.601 532*[-143pentlecd fro aft33.601 5 No w

CHAPTER 10: DEBRIEFING OF OFFERORS

Overview

The contracting officer must debrief unsuccessful offerors upon receipt of their written, timely request. The Government may also debrief the contract awardee(s) if requested. FAR [15.505](#) and [15.506](#) provide the regulatory policy on debriefings.

Since each offeror puts considerable resources into preparing and submitting a proposal, fairness dictates that you promptly debrief offerors and explain why a proposal was unsuccessful. Comprehensive, timely and thorough debriefings increase competition and reduce the attendant costs, encourage offerors to invest resources in the Government marketplace, permit offerors to release resources to work on other projects, and strengthen and enhance the Government's relationship and credibility with industry.

Purposes of a Debriefing

A debriefing is not:

- ***A page-by-page analysis of the offeror's proposal,***
- ***A comprehensive, point-by-point comparison of the proposals of the debriefed offeror and other offeror(s), or***
- ***A debate or defense of the Government's award decision or evaluation results.***

A debriefing:

- Explains the rationale for the offeror's exclusion from the competition;
- Instills confidence in the offeror that it was treated fairly;
- Assures the offeror that appropriately qualified personnel evaluated their proposal in accordance with the RFP and applicable laws and regulations;
- Identifies strengths and weaknesses in the offeror's proposal so the offeror can prepare better proposals in future Government acquisitions;
- Reduces misunderstandings and protests; and
- Gives the offeror an opportunity to provide feedback regarding the RFP, discussions, evaluation, and the source selection process.

Pre-award Versus Post-award Debriefings

There are two types of debriefings – pre-award and post-award. Each unsuccessful offeror is entitled to only one debriefing. Figure 10-1 outlines when each type of debriefing is appropriate and what may and may not be disclosed at each. Of the two types, the pre-award is more restrictive in terms of what may be disclosed to the unsuccessful offeror since the procurement would be still on-going at the time of the debriefing.

Figure 10-1: Comparison of Pre-award and Post-award Debriefings

	PRE-AWARD DEBRIEFING	POST-AWARD DEBRIEFING
Who is Entitled to a Debriefing?	Offerors excluded from the competitive range or otherwise excluded from the competition before award.	Any unsuccessful offeror who has not had a pre-award debriefing.
When Must the Government Conduct a Debriefing?	As soon as practicable after receipt of a timely, written request. However, the contracting officer may refuse the request for a pre-award debriefing if it is not in the best interest of the Government to conduct a pre-award debriefing.(1) (2)	Within 5 days, to the maximum extent practicable, after receipt of a timely, written request for a debriefing. (3)
What is a Timely Request?	A request received by the contracting activity within 3 calendar days after the offeror received notice of exclusion from the competition. (4)	A request received by the contracting activity within 3 calendar days after the offeror received notice of contract award. (4)
What Can Not Be Disclosed?	<ul style="list-style-type: none"> • Point-by-point comparisons of a debriefed offeror's proposal with other proposals • Proprietary information or information exempt from release under the Freedom of Information Act (5) • Number of offerors • Identity of other offerors • Content of other offerors' proposals • Ranking of other offerors • Evaluation of other offerors 	<ul style="list-style-type: none"> • Point-by-point comparisons of a debriefed offeror's proposal with other proposals (The ratings of a debriefed offeror and the awardee may be disclosed to the second level of evaluation without violating this principle.) • Proprietary information or information exempt from release under the Freedom of Information Act (5)
What Should Be Discussed?	<ul style="list-style-type: none"> • Evaluation results of significant elements in the debriefed offeror's proposal (6) • Summary of the rationale for eliminating the offeror from the competition • Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed in the process of eliminating the offeror from the competition 	<ul style="list-style-type: none"> • Deficiencies and significant weaknesses of the debriefed offerors' proposal, if applicable • Evaluation ratings of the debriefed offeror and awardee--but only to the second level of evaluation • The debriefed offeror's and awardee's total evaluated costs (or prices), including unit prices if practicable • Overall ranking of all proposals, when a ranking was developed as part of the source selection • Make and model of any commercial end items proposed by the awardee • Summary of the rationale for award decision. • Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed • Other information, as appropriate

Notes to Figure 10-1:

- (1) The offeror may request the debriefing be delayed until after contract award. When delayed, the debriefing shall include all the information provided in a post-award debriefing.
- (2) In the event either the Government or offeror delays the debriefing, the contracting officer must provide the debriefing within the timeframe established for post-award debriefings.
- (3) If an offeror submits an untimely request for debriefing, the contracting officer should nonetheless conduct a debriefing if feasible. In such case, inform the offeror the request is untimely. (4) Don't count the day the offeror received the notice; start with the next day. Consider sending the notice by mail with return receipt requested or by electronic means (facsimile transmission or e-mail) with immediate acknowledgment requested so that you can easily establish the date the offeror received it.
- (5) Includes such things as trade secrets; privileged or confidential information, e.g., manufacturing processes and techniques, commercial and financial information, and cost data; and the names of individuals providing past performance information. It does not include information otherwise available without restriction to the Government or public.
- (6) If the element was significant enough to eliminate the offeror from the competitive range, it is probably significant for debriefing purposes. Include both positive and negative elements of the offeror's proposal to help improve future proposals.

Notification of Debriefing

Inform the offeror of the scheduled debriefing date by electronic means with immediate acknowledgment requested. If the offeror requests a later date, you should require the offeror to acknowledge in writing that it was offered an earlier date, but requested the later date instead. This procedure will protect the Government's interests if the offeror subsequently files a protest.

Debriefing Methods and Location

You must debrief one unsuccessful offeror at a time. The contracting officer is responsible for selecting the method and location of the debriefing. The location should provide a professional and non-distracting environment. Although face-to-face debriefings are frequently used, you may also conduct a debriefing by letter, telephone or electronic means. It may be burdensome for an offeror to attend in person and the needs of the offeror should be afforded due consideration. Likewise, if some of the Government personnel are located at an installation other than where the debriefing will be conducted, they may participate by telephone or videoconference.

Attendees

- ***Government Personnel***

The contracting officer will chair and control the debriefing and select the Government attendees. It is extremely important to ensure appropriate Government personnel attend so that a meaningful debriefing is achieved. The contracting officer may rely on SSEB members to address specialized areas of the offerors' proposals. When practicable, the contracting officer's legal counsel should attend, and participate in preparation of, the debriefing. In the event there are indicators that a protest is likely, inform your legal counsel. However, the contracting officer must not deny a debriefing because a protest is threatened or has already been filed.

- **Debriefed Offeror Personnel**

The contracting officer should ask an offeror to identify all of the firm's individuals by name and position that will attend the debriefing. Normally, do not restrict the number of personnel the debriefed offeror may bring unless there are space limitations.

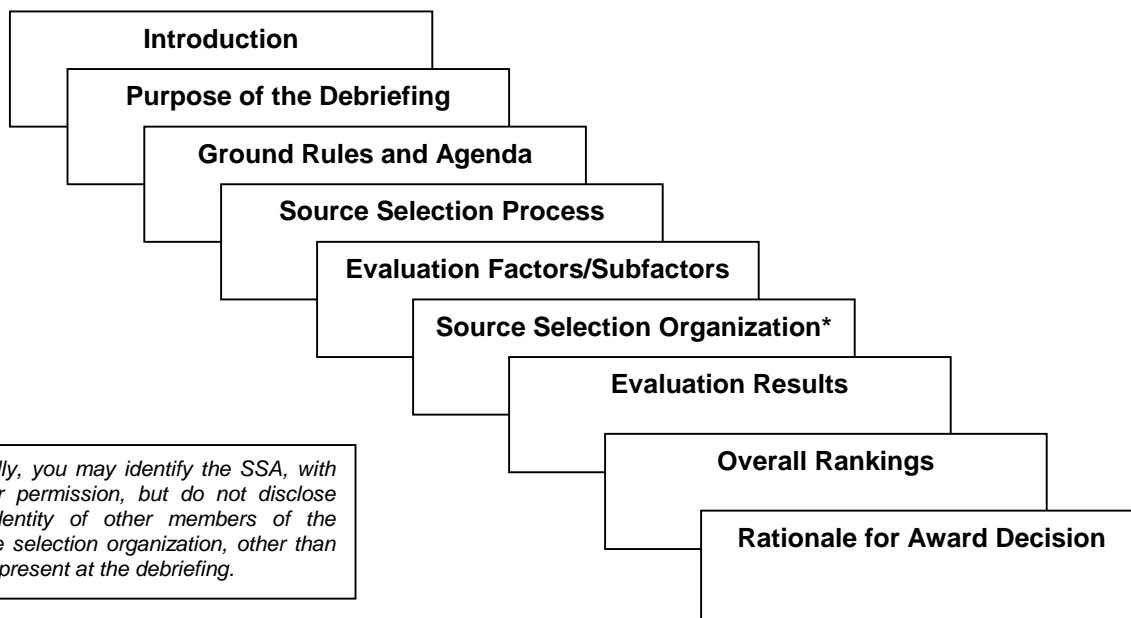
Preparing for a Debriefing

A debriefing requires preparation!

A poorly prepared debriefing is the surest way to lose the confidence of the offeror and increase the prospects of a protest. The extent of preparation necessary varies considerably with the complexity of each acquisition. Sometimes, merely preparing debriefing charts is sufficient. Other times, a written script (which may be later provided to the offeror) and dry run rehearsals may be beneficial. Because debriefings are time sensitive, preparation must begin before proposal evaluation is complete. SSO members may assist in preparing debriefing charts (which may be later provided to the offeror). Finally, the contracting officer must brief all Government personnel that will attend the debriefing on their roles and expected demeanor during the debriefing.

General Outline for Debriefings

Following is a general outline for a typical debriefing. The contracting officer is responsible for determining the exact format for each debriefing.



Handling Questions

You may request that questions from the offeror's personnel be funneled to their main spokesperson. This practice enhances the orderly conduct of a debriefing. Also, it may be helpful to request written questions ahead of time to use in preparing for the debriefing. At the end of the debriefing advise the offeror that the debriefing is officially concluded. At the discretion of the contracting officer, you may answer questions submitted by the offeror after the debriefing. However, in such cases, you must advise the offeror that the information is not considered part of the official debriefing (thereby not impacting the protest time period).

Other Information to Ensure a Meaningful Debriefing

- In a post-award debriefing, you must disclose all significant weaknesses and strengths of the debriefed offeror's proposal. When determining what is a significant weakness or strength, consider whether it impacted the evaluation rating. If the weakness was of significant enough concern to warrant mentioning it during discussions, it is probably significant for debriefing purposes as well. It is also a good practice to address the significant advantages of an offeror's proposal.
- You must disclose the debriefed offeror's total evaluated prices for each CLIN. This should include an explanation for any significant cost realism adjustments made by the evaluators at the major cost element level. **Do not** disclose the specific Government cost (or price) adjustments to the awardee's proposed costs (or prices).
- If the SSA ranked the proposals (i.e., the best overall proposal, second best, etc.), you must reveal the overall ranking of all proposals. However, in such a case, do not use the identities of the other unsuccessful offerors when disclosing the ranking; refer to them by alphanumeric letters or other designators.
- Disclose a summary of the rationale for the contract award decision. The rationale is contained in the SSA's source selection decision document. Consider furnishing the debriefed offerors a copy of this document. However, evaluation information concerning the other unsuccessful offerors and information not releasable under FOIA must be redacted prior to release.
- Under certain circumstances, other information may be released, on a case-by-case basis with guidance from the responsible legal office. Examples of such information include:
 - The final overall ratings for non-cost factors for other unsuccessful offerors
 - The final total evaluated price of the other unsuccessful offerors (Release is limited to those situations where an unsuccessful offeror consents or the agency determines that the unsuccessful offeror, after consulting with it, would not suffer competitive harm from such a release.)

One of the primary goals of a debriefing is to inform the offeror of the positive and negative aspects of its proposal so it can provide more competitive proposals in future acquisitions.

- Other information about an awardee's proposal that is not otherwise releasable if written authorization is obtained from the offeror. Releasing such information may, under certain circumstances, be the best way to avoid a protest. Under these circumstances, the contracting officer and/or legal counsel should explain to the successful offeror(s) that it is in both the Government's and their interest for them to authorize such release.

The Post Debriefing Memorandum

The contracting officer must include a summary of each debriefing in the contract file. Good post-debriefing memorandums are essential if the acquisition is reopened or resolicited as a result of a protest or otherwise within one year of the contract award date. In those circumstances, the law requires the contracting agency make available to all offerors information regarding the prior successful offeror's proposal that was disclosed at the debriefings. This requirement is designed, in part, to place all offerors on a level playing field.

The post-debriefing memorandum should include at a minimum:

- A list of all debriefing attendees
- A summary of the information disclosed during the debriefing. The most efficient means for doing this is to identify the debriefing charts and attach a copy of them to the memorandum.
- The substance of all questions and answers discussed at, or provided subsequent to, the debriefing

APPENDIX A

SECURITY CONSIDERATIONS

Release of Source Selection Information

The Procurement Integrity Act precludes individuals from knowingly disclosing source selection information before award of a Federal contract to which the information relates.

An authorized exception is when such release is in the best interest of the public and would not jeopardize the integrity or successful completion of the procurement.

The following individuals are authorized to approve release of source selection information pursuant to this exception:

- When the release is after issuance of the solicitation, but prior to contract award:
 - For formal source selection -- the SSA
 - For other than formal source selections -- the Head of the Contracting Activity
- When the release is prior to issuance of the solicitation -- the contracting officer

Security Briefing

Ensure all [SSO](#) personnel attend a security briefing that emphasizes that each SSO member:

- Is responsible for security of the evaluation and proposal materials and other source selection and proprietary information related to the procurement;
- Should be knowledgeable of, and adhere to, governing security procedures and regulations;
- Will not discuss, negotiate, communicate, or otherwise deal on matters related to the source selection with any individual not assigned to the SSO, unless authorized (see [above](#)), and then only within appropriately secure areas; and
- Will challenge the presence of any apparent unauthorized individual within the SSO physical location.

Required Certificates and Reports

Each SSO member (including support personnel) must sign a certificate(s) that addresses nondisclosure of information, conflicts of interest, and rules of conduct (see sample certificate at Figure A-1). Additionally, all Government evaluators, SSAC members and advisors must sign an OGE 450, Confidential Financial Disclosure Report. Non-Government personnel who may be involved in the source selection are not required to complete an OGE Form 450.

Figure A-1 Sample Certificate

(Note: This sample would have to be modified slightly for Non-Government Personnel.)

NONDISCLOSURE, CONFLICTS OF INTEREST, AND RULES OF CONDUCT CERTIFICATE (For Other Than Formal Source Selections)	
Name: _____ Title: _____	Organization: _____ Source Selection: _____
<p>1. I acknowledge that I have been selected to participate in the source selection identified above. I certify that I will not knowingly disclose any contractor bid or proposal or source selection information directly or indirectly to any person other than a person authorized by the Head of the Contracting Activity* or the contracting officer to receive such information. I understand that unauthorized disclosure of such information may subject me to substantial administrative, civil and criminal penalties, including fines, imprisonment, and loss of employment under the Procurement Integrity Law or other applicable laws and regulations.</p> <p>2. To the best of my knowledge, I certify that neither I nor my spouse, my dependent children, members of my household, nor personnel with whom I am seeking employment:</p> <ul style="list-style-type: none"> a. Have any direct or indirect financial interest in any of the firms submitting proposals or their proposed subcontractors, or b. Have any other beneficial interest in such firms except as fully disclosed on an attachment to this certification. <p>3. I certify that I will observe the following rules of conduct:</p> <ul style="list-style-type: none"> a. I will not solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any officer, employee, representative, agent, or consultant of a competing offeror. b. I will not ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money, gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any competing offeror for this acquisition. I will advise my family that the acceptance of any such gratuity may be imputed to me as a violation, and must therefore be avoided. c. I will not discuss proposal evaluation or source selection matters with any unauthorized individuals (including Government personnel), even after contract award, without specific prior approval from proper authority. d. I understand that my obligations under this certification are of a continuing nature. If at any time during the source selection process, I receive a contract from a competing offeror concerning employment or other business opportunity, the offer of a gift from a competing offeror, or I encounter circumstances where my participation might result in a real, apparent, or potential conflict of interest, I will immediately seek the advice of an Ethics Counselor and report the circumstances to the Source Selection Authority. <p>I understand that making a false, fictitious, or fraudulent certification may subject me to prosecution under Title 18, United States Code, Section 1001.</p>	
Signature: _____	Date: _____
<p>*For formal source selections replace Head of the Contracting Activity with Source Selection Authority.</p>	

Handling of Source Selection Materials

Handle proposal and evaluation material in a manner consistent with that for “For Official Use Only” or, as appropriate, a higher security classification. Establish sufficient safeguards to protect the material whether it is in the possession of the SSO members or it is being disseminated, reproduced, transmitted, or stored. Additionally, establish appropriate procedures for disposal (e.g., shredding or burn bag disposal) of the material when it is no longer required by the SSO.

Security of Physical Facilities

In more complex source selections you may need to establish procedures to ensure the security of the source selection physical facilities. These procedures may include:

- Requiring identification to access the SSO area and requiring authorized visitors (e.g., maintenance/service personnel) to sign in and out;
- Ensuring access points to the facilities are either manned at all times by a representative of the SSO or are kept locked (with appropriate key or password control procedures);
- Establishing procedures for approving visitors to the facilities; and
- Conducting security inspections and spot checks.

Responsibilities

All SSO members are responsible for security of source selection information. In more complex source selections it may be beneficial to designate certain members of the SSO to oversee and/or perform security control functions. These duties may be collateral duties or full-time duties of the team member.

APPENDIX B

PERSONNEL CONSIDERATIONS

Experience, Education and Skills

A key to selection of personnel is identification of the experience, education, and business and technical skills required of personnel at all levels of the SSO. Define the required skills and experience with enough flexibility to allow substitution of training for experience. Training methods include formal classes, on-the-job training, study of available source selection documents, and briefings by people with source selection experience. The SSEB Chairman should have previously been a Factor Chairman. Factor Chairmen should have been on a previous SSEB. The Contracting Officer should never be the SSEB Chairman or a Factor Chairman.

Freedom from Bias or Conflict of Interest

SSO members must not have any biases or conflicts of interest that would impact the source selection process. Financial interests in offerors and employment discussions with offerors are examples of conflicts of interests that would preclude an employee from participating in a source selection. (See the associated sample [certificate](#) at Appendix A that the SSO members must sign that will assist you in determining if an individual has a conflict of interest.)

Support Personnel

Once you identify the primary evaluation team, determine if support personnel may be desired or required. Examples of such personnel are:

- Administrative assistant,
- Secretarial support for the SSEB and/or SSAC,
- Administrative support (e.g., for briefing charts, evaluation worksheets, etc.)
- Security custodians and special security ("eyes only" messages) personnel,
- Librarian/document-control personnel,
- Reproduction support,
- Visual aids and/or video support personnel,

- Information technology support,
- Transportation support,
- Property support, and
- Budget personnel.

Sources of Personnel

The sources of necessary personnel include the program management office (PMO), the command and/or major subordinate command, other military services, DoD agencies, civilian agencies and non-Government sources. Non-Government sources can include academia, nonprofit institutions, and industry willing to be subjected to the organizational conflicts of interest provisions of FAR [Subpart 9.5](#).

Before support contractors may be used to evaluate or analyze any aspect of a proposal the Principal Responsible for Contracting (PARC) must sign a written determination in accordance with [FAR 37.204](#). Support contractors may serve in advisory roles, assist in cost (or price) analysis, or perform administrative duties (e.g., information technology support) related to source selections. However, they may not be voting members of the SSO or participate in scoring or ranking proposals or recommending a selection. They will have access only to those portions of the proposals and source selection information that they require to perform their SSO duties. When using support contractors you must advise potential offerors of their participation in the source selection. Figure B-1 identifies suggested solicitation language relative to the use of commercial firms to support the source selection process.

Figure B-1: Suggested Solicitation Language

(1) Offerors are advised that employees of the firms identified below may serve as technical advisors or Source Selection Evaluation Board members in the source selection process. These individuals will be authorized access to only those portions of the proposal data and discussions that are necessary to enable them to perform their respective duties. Such firms are expressly prohibited from competing on the subject acquisition and from scoring or ranking of proposals or recommending the selection of a source.

INSERT NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF FIRMS

(2) In accomplishing their duties related to the source selection process, the aforementioned firms may require access to proprietary information contained in the offerors' proposals. Therefore, pursuant to FAR [9.505-4](#), these firms must execute an agreement with each offeror that states that they will (1) protect the offerors' information from unauthorized use or disclosure for as long as it remains proprietary and (2) refrain from using the information for any purpose other than that for which it was furnished. To expedite the evaluation process, each offeror must contact the above companies to effect execution of such an agreement prior to submission of proposals. Each offeror shall submit copies of the agreement with their proposal

Staffing Levels

Identify the staffing as full- or part-time personnel and specify the point in the evaluation process by which personnel must be available. The time available to conduct the evaluation can influence manning.

Management Support

Management support is critical to obtaining people for the SSO. This includes the MACOM commander and the Program Executive Officer (PEO), as applicable. Managers may be reluctant to release personnel for SSEBs, especially if a prolonged evaluation period is projected. Some functional area heads may not be motivated to support such efforts because this is not a part of their performance standards. Top management support can alleviate any such reluctance.

APPENDIX C

AUTOMATED SOURCE SELECTION TOOLS

NAME OF AUTOMATED TOOL/ POC'S NAME(S), PHONE #(S), & E-MAIL(S)	DESCRIPTION OF CAPABILITY OF THE SOURCE SELECTION TOOL
Past Performance Information Management System (PPIMS) See information at: https://apps.rdaisa.army.mil/ppims/prod/ppimshp.htm	The Army's central repository for the collection and utilization of Army-wide contractor Past Performance Information (PPI). Available to authorized Government personnel, the PPIMS is used to support both the Contracting Performance Review process and future award decisions.
Past Performance Automated Information System (PPAIS) See information at: https://dodppais.navy.mil	Contains information about contractors and their performance.
Fed Select software Digital Systems International Corporation Attn: Yuri Yamada (extension 1038) Arlington, VA 22204 yuri.yamada@dsint.com	Permits accomplishment of the complete source selection process. Enables reviewers to electronically enter review comments as they relate to the RFP in an Access database. The software has a myriad of reporting capabilities and has proven to be very user friendly.
Assist Debbie Myers (732) 427-1494 Debra.Myers@mail1.monmouth.army.mil	Application used to automate and organize all workflow associated with a source selection. Automates the process of evaluating proposals, provides a central repository for all related documentation and becomes an archive for all source selection documentation. Currently functional in Lotus Notes. Being converted to a web-based application.
Interactive Business Opportunities Page (IBOP) Stephen Lascelles (732) 532-3822 Stephen.Lascelles@mail1.monmouth.army.mil	Secure interactive application that allows for posting of solicitations, receipt of proposals, clarifications, negotiations, contract award and contract administration functions via the Internet. Location independent. Requires internet access and a browser.
Reverse Auction Stephen Lascelles (732) 532-3822 Stephen.Lascelles@mail1.monmouth.army.mil	Consists of numerous tools including spidering tool to post product on IBOP and identify best value criteria, etc. and reverse auction tool to post "beginning price" on IBOP and permit various types of auctions.

APPENDIX D

CONTRACTUAL INCENTIVES

Introduction

Contractual incentives consist of both contract incentives and incentive relationships and strategies. When selecting contractual incentives consider them in the context of the business case surrounding the acquisition. For the incentives to be effective, you must apply them in a manner that supports the total business process.

Selecting contractual incentives requires a prudent and enlightened approach. It is essential to employ contractual incentives that recognize the multitude of factors and forces that impact the major players and are flexible enough to allow for changes during contract performance. You may need to revise the incentives during contract performance, since the objectives with which the Government and the contractor approach the contract may change over time. Incentives inherent in various types of contracts provide only a basic incentive structure and usually make no provision for changes in emphasis after contract award.

Definitions

- ***Contract incentive*** -- is a monetary or non-monetary structural motivator that is embodied in or arising from the terms and conditions of the contract. These incentives influence the behavior of the buyer and the seller toward accomplishing the desired contractual outcomes.
- ***Incentive relationship or strategy*** -- are those factors that influence the motivation of the buyer and the seller and directly impact their approach to the total business process.
- ***Total business process*** -- includes requirements generation and definition, acquisition strategy and business case considerations, the award process, and post-award performance – all focused on attaining the desired outcomes.

Selecting Contractual Incentives

Figure D-1 contains some factors you should consider when selecting contractual incentives. It is important to note these factors may differ, depending on the type of product or service, phase of the acquisition, the degree of competition, and whether it is a follow-on acquisition. These factors represent areas of potential discussion and opportunities for partnership as you strive to build an effective business relationship.

Figure D-1 Factors to Consider When Developing Incentives

- | | |
|--|---|
| <ul style="list-style-type: none"> • What aspects of the program should be incentivized? <ul style="list-style-type: none"> ➤ Why are they important to the program? ➤ What is the anticipated impact? • What form should the incentive take; e.g.: <ul style="list-style-type: none"> ➤ Performance Based ➤ Award Fee ➤ Award Term ➤ Ownership Contracting ➤ Subcontractor Profit/Fee Pools • At what points during contract performance would it be appropriate to reward the contractor? • Will the Government and contractor's objectives change during the period of performance? • Are there any factors that conflict with the incentive? <ul style="list-style-type: none"> ➤ Competitive environment ➤ Accounting and financial system | <ul style="list-style-type: none"> • How effective are management tools and processes in monitoring and analyzing performance? • What incentives would motivate contractors to invest resources to achieve the program goals? • Are there political issues that impact the Government or the contractor? • What is the contractor's environment? <ul style="list-style-type: none"> ➤ What are the contractors goals? ➤ What is (are) the period(s) of performance? ➤ Are there industry-wide issues that impact the company? ➤ Where does the particular program fit within the company? ➤ What roles do managers and employees play in the incentive? ➤ How does the prime communicate with its subcontractors? ➤ What is the role of the subcontractors in the incentive? • What role will the contractor have in formulating incentives? |
|--|---|

Additional Information

For additional information on this subject refer to Constructing Successful Business Relationships – Innovation in Contractual Incentives, available at <http://acqnet.sarda.army.mil/library/final/finalfrm.htm>

APPENDIX E

ORAL PRESENTATIONS

Introduction

Oral presentations (sometimes referred to as oral proposals) provide offerors an opportunity to present information verbally that they would normally provide in writing. You can conduct oral presentations in person or via video teleconference. However, a video presentation does not constitute an oral presentation since it does not represent a real-time exchange of information.

Oral presentations may be beneficial in a variety of acquisitions. They are most useful when the requirements are clear and complete and are stated in performance or functional terms. Oral presentations are ideal for gathering information related to how qualified the offeror is to perform the work, how well the offeror understands the work, and how the offeror will approach the work.

Potential Benefits

- ***Significant Time Savings***
- ***Improved Communication Between the Government and Offeror***
- ***Reduced Government Evaluation Costs***
- ***Reduced Offeror Proposal Preparation Costs***

Scope of the Oral Presentation

Before you can decide if oral presentations are appropriate for a given acquisition, you must select the evaluation factors and subfactors. Then decide whether the information you need to evaluate these criteria can be better presented orally or in writing or through a combination of both means.

You cannot incorporate oral statements in the contract by reference, so any information you want to be made part of the contract needs to be submitted in writing. At a minimum, the offeror must submit certifications, representations, and a signed offer sheet (including any exceptions to the Government's terms and conditions) in writing. Additionally, as a rule of thumb, the offeror must submit other hard data ("facts"), such as pricing or costing data and contractual commitments, as part of the written proposal.

Oral presentations can convey information in such diverse areas as responses to sample tasks, understanding the requirements, experience, and relevancy of past performance. Additionally, in commodity buys, you may require offerors to conduct demonstrations of their proposed products or provide samples for the evaluators to review to determine the quality of the samples.

- The total amount of time each offeror will have to conduct their oral presentation,
- Who must make the presentation and a requirement that the offeror provide a list of names and position titles of the presenters,
- Whether the presentation will be video or audio taped,
- The location of the presentation site and a description of the site and resources available to the offeror,
- Any rules and/or prohibitions regarding equipment and media,
- How you will treat documents or information referenced in the presentation material but never presented orally,
- Any limitations on Government-offeror interactions during and after the presentation,
- Whether the presentation will constitute discussions (see [Figure 7-1](#)),
- Whether you will use the information in the oral presentation solely for source selection purposes or whether such information will become part of the contract, and
- Whether the offeror should include any cost (or price) data in the presentation.

Timing and Sequencing

You can conduct oral presentations either before or after establishing the [competitive range](#). If you conduct the oral presentations prior to establishing the competitive range, you must be careful they do not result in discussions.

Since preparing and presenting an oral presentation involves time and expense, you do not want to require offerors who are not likely to be serious candidates for award to have to conduct oral presentations. This can be an important consideration with small businesses. When this is a concern, hold oral presentations after establishing the competitive range.

The contracting officer will often draw lots to determine the sequence of the offerors' presentations. The time between the first and the last presentation should be as short as possible to minimize any advantage to the offerors that present later.

Time Limits

Establish a total time limit for each offeror's presentation. It is not advisable to limit the time for individual topics or sections within the presentation; this detail is the presenter's responsibility. If you are planning a question and answer session, exclude it from the allotted time or set a separate time limit for it.

There is no ideal amount of time to be allotted. Make this decision using prudent business judgment based upon the complexity of the acquisition and your own (or others') experience and lessons learned.

Facility

Usually you will want to conduct the presentations at a facility you can control. This helps guard against surprises and ensures a more level playing field. However, nothing precludes you from conducting an oral presentation at an offeror's facility. This may be more efficient if site visits or other demonstrations are part of the source selection.

If you are using a Government-controlled facility, make it available for inspection and, if warranted, a practice session. Allowing offerors to get acquainted with the facility will help ensure that it does not detract from the presentation content.

Recording the Presentations

Recording the presentation is not only required, it makes good business sense.

Having an exact record of the presentation could prove useful both during the evaluation process and in event of a protest or litigation. You can record the oral presentations using a variety of media; e.g., videotapes, audio tapes, written transcripts, or a copy of the offeror's briefing slides or presentation notes. The SSA is responsible for determining the method and level of detail of the record.

If you use videotaping, allow for the natural behavior of the presenters. If slides or view graphs are used, the camera should view both the podium and screen at the same time. Place the microphones so that all communications can be recorded clearly and at adequate volume. Every effort should be made to avoid letting the recording become the focus of the presentation.

The recording, which is considered source selection information, will become part of the official record. Provide a copy to the offeror and seal and securely store the master copy of the recording to ensure there would be no allegations of tampering in the event of a protest or court action.

Government Attendance

The contracting officer or contract specialist should chair every presentation. The SSA may decide to attend all the presentations or none of them. As a general rule, all of the Government evaluators should attend every presentation.

Presenters

The offeror's key personnel who will perform or personally direct the work being described should conduct their relevant portions of the presentations. Key personnel include project managers, task leaders, and other in-house staff of the offeror's or their prospective key subcontractors' organizations. This will avoid the oral presentation becoming the domain of a professional presenter, which would increase costs, detract from the advantages of oral presentations, and adversely affect small businesses.

Reviewing the Ground Rules

Prior to the presentations, the contracting officer or contract specialist should review the ground rules with the attendees. This includes discussing any restrictions on Government-offeror information exchanges, information disclosure rules, documentation requirements, and housekeeping items.

If you are using a quiz as part of your evaluation, the contracting officer or contract specialist needs to discuss the related ground rules. For example, can the offeror caucus or contact outside sources by cell phone before answering?

Avoid too much control and regulation since it will inhibit exchange of information. However, if you intend to avoid discussions, the contracting officer should control all exchanges during the presentation. If conducting oral presentations after opening discussions, you must comply with FAR [15.306](#) and [15.307](#).

Evaluation of Presentations

There is no firm rule regarding the best time to evaluate the presentation. You can perform evaluations immediately following each presentation or after all of the presentations have been completed. In the latter case, the evaluators should caucus following each presentation to exchange reactions, summarize potential strengths and weaknesses, and verify perceptions and understandings. Using preprinted evaluation forms will help the evaluators collect their thoughts and impressions. Remember, even if you use preprinted forms, evaluators have to provide the rationale for their conclusions.

APPENDIX F

USING CURRENT AND PAST PERFORMANCE AS A SOURCE SELECTION FACTOR

Introduction

In past performance evaluations you examine the offeror's performance record on similar contract efforts and use the information to predict how the offeror will perform under your contract. The Government must evaluate past performance in all competitively negotiated acquisitions expected to exceed the thresholds identified in FAR 15.304, unless the contracting officer documents why evaluation of past performance is not appropriate. Use past performance as an evaluation factor when it makes good business sense and is anticipated to be a meaningful discriminator among potential offerors.

Where possible, use past performance information available from Government-wide and agency-wide databases. Use of such information will help to expedite and streamline the evaluation process. The Performance Information Management System (PPIMS) is the Army database that contains information on contractors' performance. (See [Appendix C](#) for more information on this database.) If information is not readily available from existing databases, then seek it from other Government entities and private sector sources (e.g., by means of questionnaires, published commercial evaluations, and interviews).

FAR Parts [9](#), [12](#), [15](#), and [36](#) contain regulatory policies related to evaluation of past performance. FAR Part 36 provides specific procedures, forms, and thresholds for evaluation of A&E and construction acquisitions. Additionally, the Office of Federal Procurement Policy (OFPP) and DoD have published the following guides that pertain to evaluation of past performance information:

- OFPP guide: Best Practices for Collecting and Using Current and Past Performance Information
Available at <http://www.arnet.gov/Library/OFPP/BestPractices/pastperformguide.htm>
- DoD guide: A Guide to Collection and Use of Past Performance Information
Available at <http://www.acq.osd.mil/ar/doc/ppiguide.pdf>

This evaluation is different from making a responsibility determination, therefore, you do not have to refer adverse or negative findings related to small businesses to the SBA.

Relative Importance or Weight Assigned to Past Performance

You may assign any weight or relative importance to past performance compared to any other evaluation factor. However, the weight assigned to past performance should be sufficient enough to ensure that it is meaningfully considered throughout the source selection process and will be a valid discriminator among the proposals received.

Drafting Instructions to Offerors (Section L or Equivalent Section)

In Section L (or equivalent section) of the RFP, you must clearly state what past performance information the offeror must submit as part of its proposal and/or oral presentation. Tailor the proposal submission requirements to reflect the complexity of the procurement and the relative importance assigned to past performance. Request only information necessary for the evaluation. Consider the following when developing proposal submission requirements.

- **Contract References --** Request offerors submit a list of Government and non-Government contract references (including contract number, type, and dollar value; place of performance; date of award; whether performance is on-going or complete; extent of subcontracting; and the names, phone numbers, and e-mail addresses of at least two points of contact (POCs) for each contract):
 - Require the list to include all relevant on-going contracts or contracts completed during a ***“specified period.”*** If you anticipate the number of contracts will be excessive, limit the submission to a specified number of the most recent, relevant contracts. In such cases, require the contracts to have been on going for a specified period of time, since newly awarded contracts will probably not provide sufficient information.
 - Limit the ***“specified period”*** to not more than three years (six years for construction) from the RFP release date. This is because the Government must retain past performance information for no longer than three years (six years for construction) after completion of the contract. A shorter period may be appropriate for acquisitions where there are lots of actions and/or many vendors providing the required items.
 - When offerors are likely to be large, multi-function firms, limit the contract references to those performed by the segment of the firm (e.g., division, group, and unit) that is submitting a proposal.
 - Allow offerors to submit information related to their past performance on relevant efforts for state and local governments, private sector clients, subcontracts, and team or joint efforts. Additionally, if offerors have no relevant past performance, allow them to provide past performance information for their key personnel and/or key subcontractors. This will help ensure firms new to the Federal process have a fair opportunity to compete and will reduce the instances where offerors have no record of past performance.
 - Advise the offerors that, while they may submit past performance information on relevant efforts under subcontracts, you may be unable to obtain any qualitative information due to the Government’s lack of privity with subcontractors. In other words, since the Government deals directly with prime contractors, the POCs may be unaware of the offeror’s performance under a subcontract.
- **Past Performance Information of a Prospective Subcontractor --** When you intend to evaluate subcontractors’ past performance, explain how you will handle any related adverse past performance information. In many acquisitions, an offeror’s prospective subcontractor, may be the offeror’s competitor on other acquisitions. In such cases, the prospective subcontractor may be

hesitant to have any adverse information related to its past performance released to the offeror. On other acquisitions, this may not be an issue. You should tailor your acquisition accordingly and advise offerors in the RFP how you will handle disclosure of such information.

- **Description of Past Performance** -- It is not necessary or efficient to ask the offeror to provide a detailed description of all of its relevant past performance efforts. Instead seek the appropriate information from existing databases and/or from identified contract POCs. However, you may find it beneficial to allow potential offerors the opportunity to provide details on past performance problems and the corrective actions taken. As appropriate, have the offerors provide such information as part of their proposals or presented as part of their oral presentation, if used.
- **Sources of Information**
 - Rely on existing documentation from Federal databases to the maximum extent practicable. This will expedite and streamline the source evaluation process.
 - Advise potential offerors that you may use past performance information obtained from sources other than those identified by the offeror and the information obtained may be used for both the responsibility determination and the best value decision.
 - Advise potential offerors that you may not obtain information on all of the listed contract references and/or may not contact all of the identified POCs.
 - If adequate documentation is not readily available, you should seek the necessary information from individuals having knowledge about the offeror's past performance (e.g., contract POCs, etc.) You may utilize questionnaires or interviews to obtain the information from these individuals. Consider the following when using questionnaires:
 - Keep the questionnaire short. Typically it should be no longer than 1-2 pages; long surveys are not returned timely, if returned at all.
 - Include a copy of the questionnaire in the RFP.
 - Either distribute the questionnaires to the POCs or have the offerors distribute them. In the latter case, the POCs must return the completed questionnaires directly to the Government. Having the offerors send out the questionnaires may save time and resources.
 - When practical, contact the respective POC prior to sending out a survey to advise them that they will be receiving it and emphasize the importance of their returning the completed surveys to you promptly.
- **Relevant Past Performance** –
 - Include in the RFP a definition of what constitutes relevant past performance. Factors that may be used to define relevancy include the size, scope, complexity, and contract type. The Comptroller General recommends use of solicitation language that evokes the term of “for the

same or similar items” so that you do not overly restrict your ability to consider an array of information.

- As appropriate, require the offerors to provide a description of how the contract references are relevant to the immediate acquisition. Such information may be provided as part of the proposal or presented as part of their oral presentation, if used. In some cases, previous contracts as a whole may be relevant to the immediate acquisition, while only portions of other contracts may be relevant. In such cases, the offeror should specify which portions of the contract references are relevant to the immediate acquisition.
- Inform vendors that when an offeror’s or team member’s firm is divided into severable segments (e.g., division, group, or unit), that the Government will evaluate only the past performance of those segments of the firm(s) that will actually perform the work.

Drafting Evaluation Criteria (Section M or Equivalent Section)

In Section M (or equivalent section) of the RFP, clearly state how past performance will be evaluated, its relative importance, and how offerors with no relevant past performance history will be evaluated. Consider the following when drafting this section:

- ***Past Performance of Prospective Subcontractors and/or Team Members*** -- You may find it beneficial to evaluate a key subcontractor’s or team member’s past performance. However, as the Government only has privity of contract with the prime contractor, do not make the past performance of a prospective subcontractor and/or joint venture partners a separate rating.
- ***Synergy of Evaluation Considerations*** -- Use past performance to streamline the source selection process. For example, instead of evaluating management as an evaluation factor, assess management effectiveness as part of the past performance evaluation. A good record of management is an indicator that the offeror will perform well in this area on the immediate acquisition. Using past performance in this way eliminates the need for the offeror to submit management and quality plans.
- ***Past Performance Subfactors or Considerations***

At a minimum, consider the offeror’s record of complying with contractual requirements in the areas of schedule, technical quality, and cost control. You may also consider the offeror’s record of business relations. These areas may or may not be established as subfactors. Tailor the subfactors or the scope of the areas considered so that they match the immediate requirement. Carefully consider whether they add value to the overall assessment, warrant the additional time to evaluate, and are discriminators among the competing proposals.

Potential Subfactors or Areas of Consideration

- ***Quality of Product or Service*** – e.g., record of compliance with previous contract requirements, accuracy of reports, and technical excellence, and quality awards/certificates.
- ***Timeliness of Performance*** – e.g., record of meeting milestones and delivery schedules, reliability, and responsiveness to technical direction.

- ***Stand-Alone Evaluation Factor*** -- Do not integrate past performance with other non-cost factors. Past performance should be a separate evaluation factor in order to reduce the chances of its impact being lost within other factors.

Evaluating Past Performance

The evaluation team is responsible for conducting the past performance evaluation to determine the degree of performance risk involved in accepting each offeror's proposal. The final product of this analysis is a performance risk assessment. The evaluation team documents the performance risks, strengths, and weaknesses indicated by each offeror's past performance. When considering adverse information, determine whether the Government may have contributed to the problem and, if so, to what extent.

Following are general steps in the evaluation of past performance:

- ***Step One: Gather Contract Efforts*** -- The first step is to gather basic information on contract efforts that may be relevant to the immediate acquisition. You have broad discretion regarding the type of data to be considered in the past performance evaluation. This means you may consider a wide array of information from a variety of sources, but are not compelled to rely on all the information available. For example, although you may ask for contract references for a three-year period, you may end up having enough recent, relevant information that you evaluate only contract efforts within the last two years. Additionally, you are not required to use the same type of information (e.g., databases, questionnaires, etc.) for each offeror.
- ***Step Two: Determine Relevancy of Past Performance Information***

The second step is to determine the relevancy of the past performance information. Relevancy is a threshold question, not a separate element or subfactor of past performance. In order for an offeror's record of past performance to be an indicator of its future performance, the past performance information must be relevant to the pending contract. Therefore, after you have collected past performance information, you must determine the relevancy of each contract effort.

- **Step Three: Assess Quality of Past Performance of Individual Efforts**

The third step is to assess the quality of the offeror's past performance on relevant efforts. You can gather qualitative information on the offeror's past performance through the use of databases, questionnaires, and/or interviews. (See [Appendix G](#) for sample interview questions.) If possible, contact two POCs on each contract effort selected for in-depth review. Contracting officers, contracting officer representatives (CORs), and program management office representatives often are excellent sources of information.

When assessing feedback from:

- ***End users -- remember they may be unfamiliar with the contract requirement or the source of the problem may be transparent to them.***
- ***Private-sector references – consider the potential of any conflict of interest between the offeror and reference.***

At this point, you may or may not assign ratings to each individual contract effort. If you do assign ratings, use them as guides for arriving at the consensus rating described in Step Four.

- **Step Four: Assign a Rating to the Past Performance Factor**

Once you have assessed the relevant past performance information, the final step is for the evaluation team to arrive at a consensus rating for the past performance factor using the rating scale in the SSP. (See sample [rating scale](#) at Chapter 5.) Occasionally, the evaluators will be unable to arrive at a consensus. In such case, you may include the dissenting opinion as part of the assessment report.

The rating process is not a precise mechanical process, but rather requires subjective judgment.

In determining the rating, take into consideration the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), the overall work record, and the degree of relevancy of all of the considered efforts. What you are looking for is overall results, not problem-free management.

The final assessment should include rationale for the conclusions reached, including instances of good or poor performance related to the solicitation requirement. As long as the rationale is reasonable, i.e. based on analysis, verification, or corroboration of the past performance information and is evaluated against the evaluation factors stated in the RFP, it will withstand legal scrutiny.

Lack of Past Performance Information

If the offeror is truly a new entity and none of the company principals have relevant work experience, the offeror is considered to have no past performance. In the case of an offeror without a record of relevant past performance or for whom information on past performance is not available, you must evaluate the offeror's lack of past performance as an unknown risk, having no favorable or unfavorable impact on the evaluation.

Past Performance Versus Experience

It is important to understand the difference between an offeror's experience and its past performance. In some source selections you may find it beneficial to evaluate the offeror's experience. Experience is *what* the offeror has done; past performance is *how well* the offeror did it.

*Experience reflects **WHAT**
an offeror has done.*

*Past performance reflects
HOW WELL the offeror
performed the work.*

You may evaluate experience as part of past performance or include it as an independent factor or subfactor. However, to a slight degree consideration of experience is inherent in the relevancy determination of a past performance evaluation. In making this determination you consider if *what* the offeror did under a particular contract effort is relevant to the immediate effort. This is a threshold determination, not a qualitative analysis. If you evaluate experience as part of a source selection, you are performing a comparative analysis where an offeror may get additional credit for breadth and/or depth of the experience.

When evaluating both experience and past performance in the same source selection, use caution to ensure you do not give double credit for the same information.

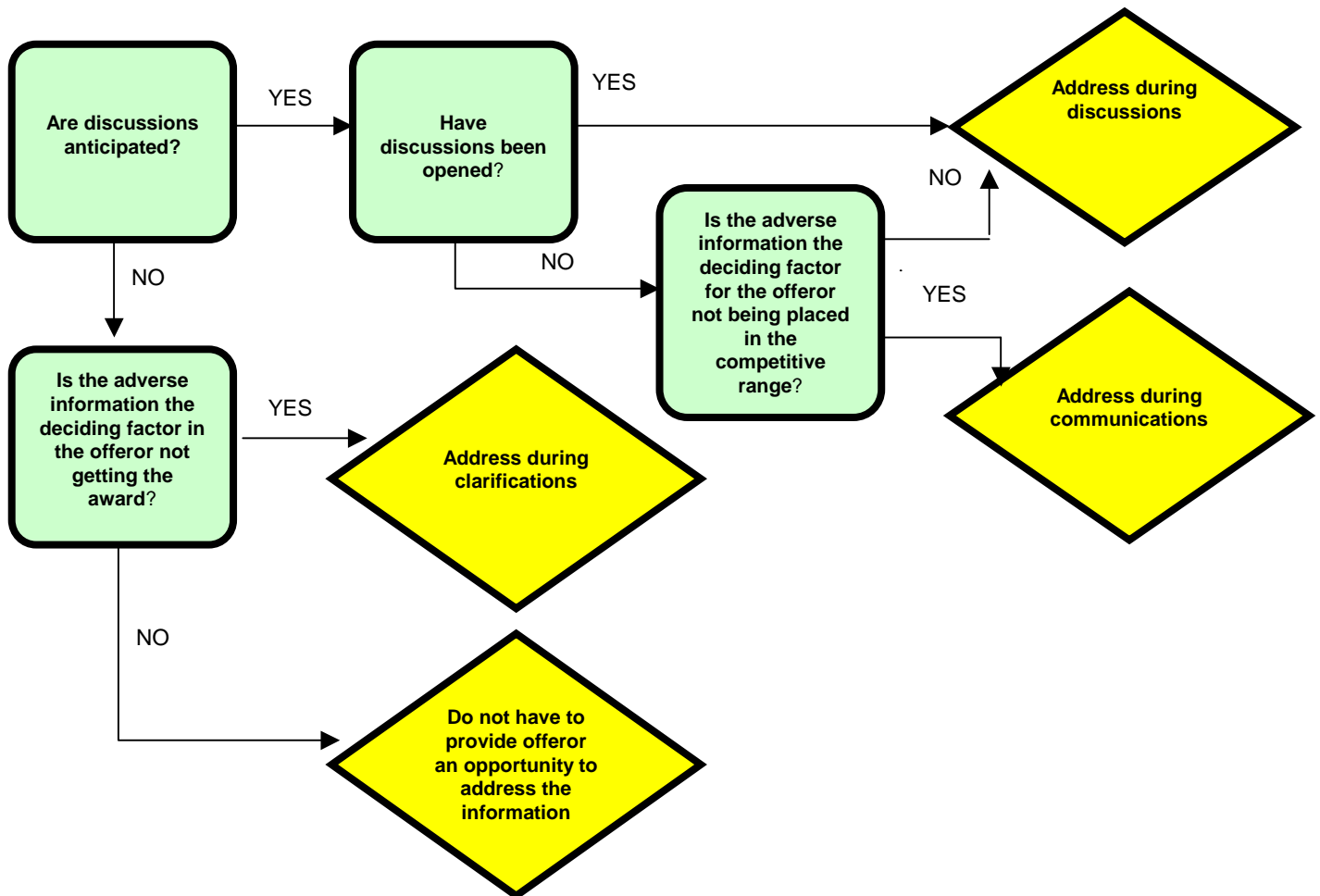
Adverse Past Performance Information

When adverse past performance information is obtained, as appropriate, contact the respective POC to get further information about the circumstances surrounding the situation. Additionally, when practical contact at least one other individual to get a second perspective on the contractor's performance on the subject work effort. Consider the context of the performance problems, any mitigating circumstances, the number and severity of the problems, the demonstrated effectiveness of corrective actions taken, and the overall work record.

If there is past performance information that adversely impacts an offeror's proposal, you must provide the offeror an opportunity to address any such information on which it has not had a previous opportunity to comment. Whether this opportunity occurs during clarifications, communications or discussions (see [Figure 7-1](#)) depends upon whether discussions are anticipated and, if they are, if they have been opened. Figure E-1 illustrates when adverse past performance should be addressed.

When addressing adverse past performance information, identify the contract, but in no case identify the name of the individual who provided the information. Summarize the problems with sufficient detail to give the offeror a reasonable opportunity to respond.

Figure E-1
Decision Model for When to Address Adverse Past Performance



APPENDIX G

PAST PERFORMANCE INTERVIEWS

Prior to initiating an interview, draft a list of questions/discussion topics. At the start of the interview, explain its purpose and assure the interviewee anonymity. While you may provide the interviewees with a generic description of the instant requirement, do not release the solicitation number, program description, or other identifying information to the interviewee.

After the interview, prepare a summary of the interview, including the interviewee's name, mailing and electronic addresses, and telephone number; the date and time of the interview; and a description of the contract effort discussed. Send it to the interviewee, stating if he/she does not object to its content by a specified time, you may assume it is correct. If the interviewee indicates it is incorrect, send him/her a corrected summary to verify. If you cannot achieve a satisfactory correction, do not rely on the record.

When using interviews, you may find it beneficial to have at least two evaluators conduct each interview. This will facilitate preparing a complete and comprehensive summary of the interview.

Figure F-1
Sample Interview Questions and Topics

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| <ul style="list-style-type: none"> • Confirm the following information related to the effort: contract number, contractor's name and address, type of contract, complexity of work, description and location of work, contract dollar value, date of award, contract completion date, and type and extent of subcontracting. • Verify past performance data to which you may have access. • If the award amount or delivery schedule changed, find out why. • If you have evidence of a problem on the referenced contract that the interviewee is unfamiliar with, ask for the name of another individual that might have the information. • Ask for names and phone numbers of additional POCs. • What role in the contract effort did you play (e.g. COR, contract specialist, ACO, etc.) and during what time period did you hold this position? • If a problem surfaced, what did the Government and contractor do to fix it? • Did the contractor appear to use personnel with appropriate skills and expertise? | <ul style="list-style-type: none"> • How did the contractor perform considering technical performance or quality of the product or service; schedule; cost control (if appropriate); business relations; and management? • Was the contractor cooperative in resolving issues? • Were there any particular significant risks involved in performance of the effort? • Did the company appear to apply sufficient resources (personnel and facilities) to the effort? • If the company used subcontractors, what was the relationship between the prime and the sub? How well did the prime manage the subcontractors? Did the subcontractors perform the bulk of the effort or just add depth on particular technical areas? • Has the firm performed other past efforts with the reference's agency/firm? • What are the company's strong points? • What are the company's weak points? • Do you have any reservations about recommending a future contract award to this company? • Do you know of anyone else who might have past performance information on the offeror? |
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APPENDIX H

COST REALISM ANALYSIS

Overview

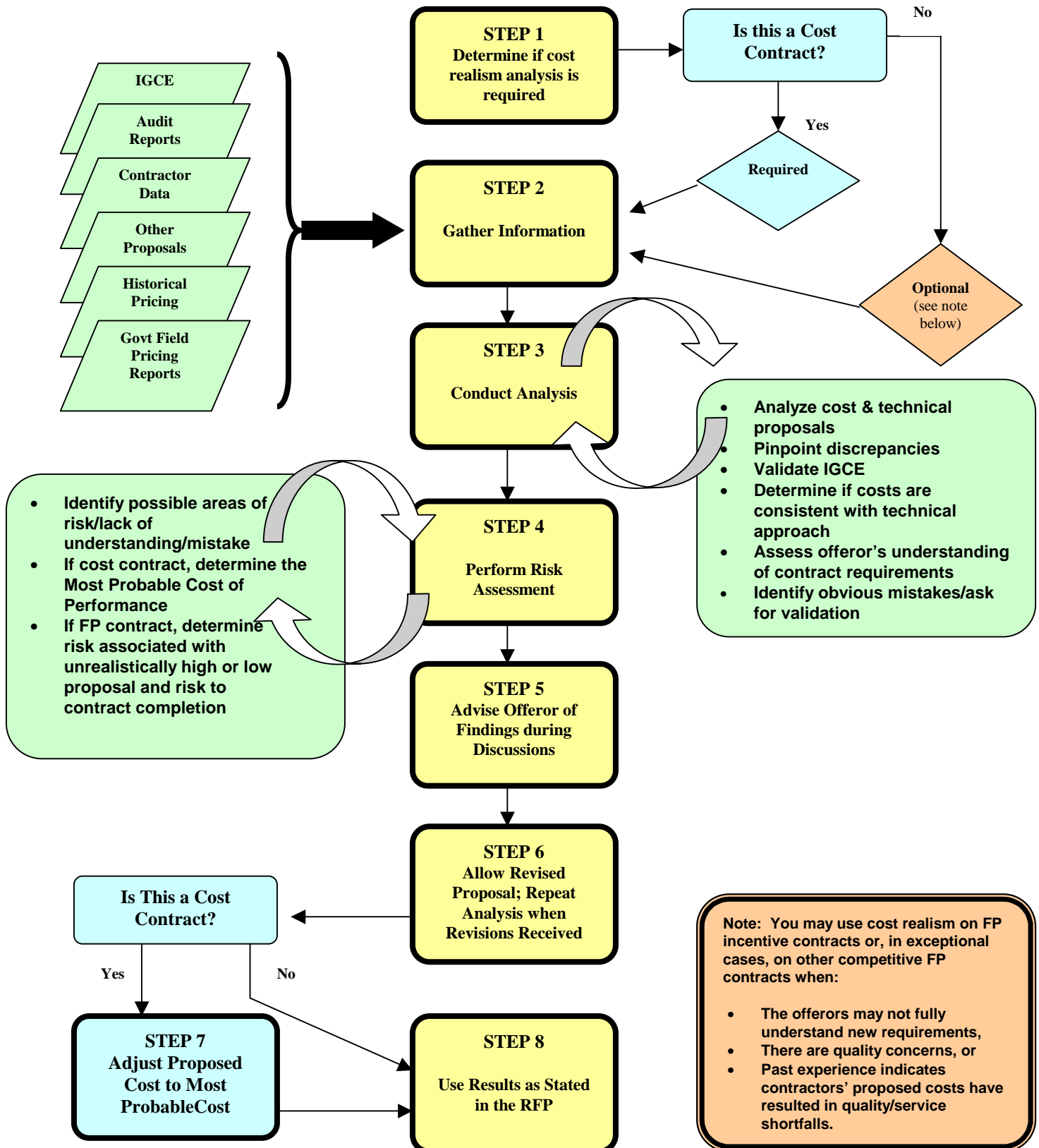
You must perform cost realism analysis when a cost contract is anticipated. In accordance with FAR 15.404-1(d)(3), you may also perform cost realism on FP incentive contracts, or in exceptional cases, on other competitive FP contracts. Adjustments for the most probable cost estimate should not be based solely on differences from the IGCE. Where performance specifications are used, the IGCE is based on the Government's implicit approach to the work, which may differ from the offerors' approach. Also, the IGCE rates may not be comparable. The technical evaluation should reveal areas where each contractor's approach is inadequate or its resourcing unrealistic, given the proposed approach. The technical evaluators and the cost evaluators should crosswalk technical deficiencies and weaknesses and their impact on cost to assure proper adjustments can be made to the proposed costs. However, this crosswalk should not be performed until after each group has completed their initial evaluation to avoid intentional or unintentional bias.

Most Probable Cost Estimate

When developing a most probable cost estimate, consider the following points.

- As you collect the information required to evaluate the realism of the offeror's cost (or price) estimate, you are also collecting the information required to develop your own estimate of the most probable contract cost.
- In developing your estimate, adopt the portion of the offeror's estimate that appears realistic and modify the portion of the estimate that you believe is unrealistic. For example, you may accept proposed labor hours and adjust the labor rate based on an audit recommendation. Adjustments may increase or decrease cost estimates.
- Use relevant estimating tools and techniques.
- Conduct meaningful discussions with offerors in the event there are any substantial cost adjustment to the offeror's estimated cost.
- As you complete your estimate, clearly document your rationale for any adjustment.

Figure G-1
Steps Involved in Cost Realism Analysis



APPENDIX I

ON-LINE REVERSE AUCTIONS

Definition

A reverse auction is simply the opposite of a traditional auction. In a traditional auction the seller offers an item for sale and multiple potential buyers submit sequentially higher bids for the item. Conversely, in a reverse auction there are multiple sellers of items that compete for the business of a single buyer. During this competition the sellers drive the price of the item down.

CRITERIA FOR USING REVERSE AUCTIONS

- ***Healthy price competition***
- ***A well-defined requirement***

Applicability to Best Value Acquisitions

Reverse auctions are legal as long as the identity of the bidders is not disclosed. You may use them for trade-off acquisitions as a pricing tool. For example, once you have finished technical discussions, you may conduct a reverse auction to establish the offerors' final prices. Provide these prices, along with the rest of the evaluation results, to the SSA for his/her use in selecting the proposal that represents the best value. A potential benefit is that competition will drive the prices down as the offerors have visibility of the other prices being proposed.

You may use reverse auctions to purchase a variety of products and services. Reverse auctions work especially well on acquisitions of manufactured items. While you can use reverse auctions to buy commodities, these items usually have smaller profit margins and therefore, the potential benefits are less.

When using reverse auctions in a best value acquisition, ensure the auction process does not drive prices down to the point that the resultant contract does not provide enough incentive for the contractor to provide quality supplies and services.

Use of reverse auctions is appropriate at different points in an acquisition. For example, you may use them to achieve the offerors' final price or you may use them to downsize the number of offerors, but decide not to use them for the final negotiations.

Process

On-line reverse auctions are conducted using a variety of procedures and automated tools. An agency may contract with an on-line auction service to conduct the reverse auction or it may conduct the reverse auction itself using commercially-available software. In either case, the reverse auction must be conducted on a secure Web site and you must clearly state in the RFP the ground rules for the auctions, particularly when the bidding will start and stop.

The Army has established a reverse auction tool set, which can be accessed through the Army Single Face to Industry Acquisition Business Web site at <http://acquisition.army.mil/default.htm>. Participation is open to all Army activities.

Potential Advantages

- More bang for the buck due to intense competition
- Reduced acquisition time
- Process is inclusive, transparent and immediate; industry likes these features

Potential Barriers

- Concern over security and privacy
- Culture (resistance to change)
- Lack of trust in the process and Government
- Interoperability issues (e.g., inability to get applications and legacy systems to work together)
- Administrative costs and enabler fees may outweigh price advantages