OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

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MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATIN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
ASSISTANT SECRETARY OF THE ARMY (ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Source Selection Procedures

This memorandum issues the new Department of Defense Source Selection Procedures (SSP) and rescinds the SSP issued on March 4, 2011, with exceptions noted below. This document expands the discussion of both Tradeoff and Lowest Price Technically Acceptable source selection procedures consistent with Better Buying Power initiatives, modifies evaluation methodologies, updates statutory and regulatory references, and includes best practices obtained through peer reviews.

Procedures are posted at http://www.acq.osd.mil/dpap/dars/dfars/html/current/215_3.htm and are effective as of the date of this memo. Solicitations with a Source Selection Plan approved by the Source Selection Authority prior to May 1, 2016 may continue to use the procedures dated March 4, 2011.

Questions may be directed to Ms. Sara Higgins, at 703-614-1255 or sara.a.higgins2.civ @mail.mil.

Claire M. Grady
Director, Defense Procurement
and Acquisition Policy

SOURCE SELECTION PROCEDURES

DEPARTMENT OF DEFENSE

Defense Federal Acquisition Regulation Supplement
Procedures, Guidance and Information
Subpart 215.3--Source Selection

March 31, 2016

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1 Purpose, Roles, and Responsibilities

1.1 Purpose

This document provides the Department of Defense (DoD) procedures for conducting competitively negotiated source selections and outlines a common set of principles and procedures for conducting such acquisitions in accordance with applicable statutes and regulations. The objective of these procedures is to ensure the Department's source selection process delivers quality and timely products and services to the Warfighter and the Nation at the best value to the taxpayer. Source selections should be structured and conducted to communicate the Government's requirements and objectives in clear, meaningful ways to encourage Industry to propose the best possible array of solutions, allow the Government to make meaningful differentiations amongst proposals, and ensure that the award represents the best value to the Warfighter and the Nation.

1.2 Applicability and Waivers

These procedures are applicable to all acquisitions conducted as part of a major system acquisition program, as defined in Federal Acquisition Regulation (FAR) 2.101, and all competitively negotiated FAR part 15 acquisitions with an estimated value greater than $10 million. To facilitate uniformity in the source selection process for both Government and Industry, ensure consistent ratings methodology and terminology within the Department, and increase efficiency in workforce training, the following policies supplement existing statute and regulations, unless waived in accordance with paragraph 1.2.4:

- For acquisitions with a total estimated value greater than or equal to $100 million (including options and/or planned orders), the Agency head shall appoint, in writing, an individual other than the Procuring Contracting Officer (PCO) as the Source Selection Authority (SSA); and the SSA shall establish a Source Selection Advisory Council (SSAC) (see paragraph 1.4.1.1 and 1.4.3.1.2);
- Source Selection Team (SST) Roles and Responsibilities shall be as described in paragraph 1.4;
- Organizations shall comply with requirements associated with the use of nongovernment Advisors as described in paragraph 1.4.6.2;
- Organizations shall use Rating Methods, Factors, and Descriptions presented in paragraph 3.1 and Appendix C depending on the type of source selection contemplated and shall consider risk whenever a technical factor is used;
- SSTs shall develop, maintain, and retain documentation required by Section 4.

As guidance, this document also consolidates a number of best practices and notes collected from preaward peer reviews, component reviews, and Program Executive Officer (PEO)/Program Manager (PM) focus group reviews.

1.2.1 These procedures are applicable to all competitively negotiated procurements meeting the requirements in paragraph 1.2, except those using:

- Federal Acquisition Regulation (FAR) subpart 8.4, Federal Supply Schedules;
- FAR part 12, Acquisition of Commercial Items, only if FAR part 12 is used solely in conjunction with part 13, Simplified Acquisition Procedures, or part 14, Sealed Bidding; and not used with FAR subpart 15.3, Source Selection (see paragraph 1.2.2);
- FAR part 13, Simplified Acquisition Procedures;
- FAR part 14, Sealed Bidding;
- FAR subpart 16.505(b)(1), Orders under multiple award contracts--Fair Opportunity (see also paragraph 1.2.3);
- FAR subpart 35.016, Broad Agency Announcements;
- FAR subpart 36.6, Architect-Engineer services; and
- 15 United States Code (U.S.C.), Section 638, to solicit and award Small Business Innovative Research, Small Business Technology Transfer Research and Small Business Technology Transfer acquisitions.

1.2.2 If FAR subpart 12.6, Streamlined Procedures for Evaluation and Solicitation for Commercial Items, is used in conjunction with FAR part 15, Contracting by Negotiation, source selection procedures, and not FAR part 13, Simplified Acquisition Procedures, this document shall apply for actions greater than $10 million.

1.2.3 Agencies shall consider the use of these procedures for orders under multiple-award (Fair Opportunity) greater than $10 million.

1.2.4 Waivers. For solicitations valued at $1 billion or more, waivers to provisions required by paragraph 1.2 of this document may only be approved with the express, written permission of the Director, Defense Procurement and Acquisition Policy (DPAP). Waivers for solicitations valued below $1 billion must be approved by the Senior Procurement Executive (SPE). The SPE may set lower internal dollar thresholds for use of these procedures as appropriate.

1.2.5 For all competitively negotiated acquisitions other than those in paragraph 1.2.1, contracting officers should refer to the procedures in Section 3 and the appendices herein for guidance in structuring a solicitation.

1.2.6 Compliance with applicable laws, FAR part 15, Defense Federal Acquisition Regulation Supplement (DFARS) part 215, and the companion resource Procedures, Guidance and Information (PGI) is required.

1.3 Best Value Continuum

In the best value continuum described in FAR 15.101, an agency can obtain best value in negotiated acquisitions by using any one or a combination of source selection approaches. This document describes source selection processes and some techniques that may be used to design

competitive acquisition strategies suitable for the specific circumstances of the acquisition, including: Value Adjusted Total Evaluated Price (VATEP) tradeoff source selection process with monetized adjustments included in the evaluated price for specific enhanced characteristics; tradeoff source selection process with subjective tradeoffs; and lowest price technically acceptable (LPTA) source selection process. These are not the only source selection processes available on the best value continuum. SSTs should carefully consider and use the approach that is most appropriate for their acquisition.

At one end of the continuum, LPTA is appropriate where: requirements are well defined; risk of unsuccessful contract performance is minimal; and there is no value, need, or willingness to pay for higher performance. Under LPTA all factors other than cost or price are evaluated on an "acceptable" or "unacceptable" basis. The tradeoff source selection process spans the entire remainder of the continuum.

Prior to determining the type of source selection appropriate for an acquisition, the Program Manager (PM) or Requirements Owner (RO), as applicable, in consultation with the contracting officer, must consider all aspects of the requirement. The team must ensure the aspects of a potential solution that will influence the Government's source selection are reflected in evaluation criteria in clear, concise, assessable terms. When developing source selection criteria, consider hybrid approaches, applying subjective and objective criteria as appropriate to evaluate elements of the proposal. Unless otherwise specifically required, these procedures may be tailored as appropriate to the particular procurement/acquisition to maximize competition and the efficiency and effectiveness of the competitive process, while ensuring the award can successfully withstand scrutiny. This will help avoid unnecessarily protracted source selections and provide the clearest method of determining which proposal is the most advantageous to the Government.

Table 1 illustrates how factors may drive the appropriate type of source selection and evaluation criteria selected. Care should be taken in determining the number of factors/subfactors to avoid adding unnecessary complexity and confusion to the source selection. Criteria should be tailored to balance objectivity and/or subjectivity in the evaluation with outcome and to emphasize areas of differentiation, particularly in source selections that utilize best value trade-offs.

Table 1. Source Selection Process Considerations

	Subjective Technical Factor(s) Required	Objective/ Measurable Technical Factor(s) Required	Performance Risk Evaluation Required	Lowest Eval. Cost/Price = Best Value	Monetized Requirements	Best Value Tradeoff
Subjective Tradeoff	Yes	Possible	Yes	Possible	Possible	Yes
VATEP Tradeoff	Possible	Yes (See para. B.2)	Yes	Possible	Yes	Yes
LPTA	No	Yes (Acceptable/ Unacceptable See Table C-1)	Evaluated with Technical Factor for acceptability only (See para. 2.3.4.2.1)	Yes	No	No

1.3.1 Tradeoff Source Selection (see FAR 15.101-1).

1.3.1.1 General Description. This process permits tradeoffs among cost or price and non-cost or price evaluation factors and allows the Government to accept other than the lowest priced proposal or other than the highest technically rated proposal to obtain objective (versus threshold) performance, lower risk, or innovative and technologically superior solutions. The application of this process, as well as general source selection principles, is discussed in the body of this document.

1.3.1.2 Within any tradeoff source selection process, the SST should give careful consideration to the number of requirements that must be evaluated. Generally, there are some requirements that are far more important to the Government than others. Source selections can be simplified when only those requirements that are critical to the user are subjectively evaluated by the SST and the rest of the requirements are evaluated on an acceptable/unacceptable basis, for example through a compliance matrix or other go/no go criteria.

1.3.1.3 Subjective Tradeoff. In instances where it is not in the Government's best interest to place a quantifiable value on higher proposed performance of technical capabilities or performance above established thresholds, the PCO, after consultation with the PM (if assigned), must clearly state in the Request for Proposal (RFP)/solicitation how the proposals will be subjectively evaluated using relative importance (see Appendix B). When assigning subjective value in evaluating proposals, it becomes even more critical for the SST to carefully document the proposed enhanced performance and the corresponding benefit/impact to the Government.

1.3.1.4 VATEP Tradeoff. In a tradeoff source selection, a total evaluated price is determined for each offeror. The Source Selection Authority (SSA) must then determine if a higher rated technical offer is "worth" the additional cost to the Government. In VATEP the "value" placed on better performance is identified and quantified in the RFP. This provides the offeror information to determine if the additional cost of offering better performance will put the offeror in a better position in the source selection. This also provides the SST the ability to assign a monetary value, or "monetize," the higher rated technical attributes, thus taking some of the subjectivity out of the best value evaluation. When using this method, the SST should ask the RO: What is the Government willing to pay for higher quality performance between threshold (minimum) and objective (maximum) criteria? The solicitation specifies the value for each parameter that provides additional value to the Government (see Appendix B).

1.3.2 LPTA Source Selection Process (see FAR 15.101-2).

1.3.2.1 General Description. LPTA is the appropriate source selection process to apply when the product or service to be acquired has well-defined requirements, minimal risk of unsuccessful contract performance, price has a dominant role in

source selection and there is no value, need or interest to pay for higher performance. "Well-defined requirements" means that the technical requirements and "technical acceptability" standards are clearly understood by the Government and can be clearly articulated to Industry in the solicitation. Under LPTA, there is no evaluation benefit to an offeror for a proposal to exceed a minimum requirement; proposals are evaluated simply as either "acceptable" or "unacceptable." Thus, there is no tangible benefit to an offeror to propose a higher priced technical approach that exceeds any minimum requirements. The LPTA process is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest total evaluated price.

1.3.2.2 Application. The application of LPTA is discussed in Appendix C. In addition, the general principles outlined in this document also apply to LPTA (see Preface to Appendix C).

For LPTA, offerors will submit their lowest price based on its technical approach to meet minimum requirements. At the other end of the continuum, the Government may award to other than the lowest priced proposal using tradeoffs, and offerors must clearly understand the importance of evaluation factors in relation to each other and the value the Government is placing on non-cost or price factors.

1.3.3 Selecting the Source Selection Process. The PM or RO in conjunction with the contracting officer must consider a variety of factors when selecting the appropriate source selection process and structuring the source selection criteria to provide for a successful source selection, including, but not limited to:

- Is the requirement well defined and well understood by Industry?
- What aspects of the proposed solution are most important to successful performance/outcomes?
- What areas of performance are considered low/high risk?
- What aspects of the proposed solutions can be evaluated against a minimum standard to determine acceptability?
- In what areas are enhancements or performance above a minimum standard likely to have a substantial benefit to the Government and how is that best assessed/measured?
- How significant is cost/price relative to potential enhancements/above minimum performance in performance?
- What is the level of risk and what are the primary drivers of the risk of successful performance?

1.4 Source Selection Team Roles and Responsibilities

Source selection is accomplished by a team that is tailored to the specific acquisition. Teams for larger, more complex source selections generally consist of the SSA, PCO (if different from the SSA), Source Selection Advisory Council (SSAC), Source Selection Evaluation Board (SSEB), Advisors, Cost or Pricing Experts, Legal Counsel, Small Business Professionals/Specialists, and

other subject-matter experts. SST members may include personnel from other Departmental sources such as headquarters or joint service members. Key members of the SST—such as the SSA, SSAC Chairperson, SSEB Chairperson, functional leads, and the PCO— should have source selection experience in high dollar, complex acquisitions. All members of the team shall be designated early in the source selection process, and agencies shall provide the needed training to execute that specific source selection. See Figure 1 for an illustration of the roles and responsibilities defined in this section.

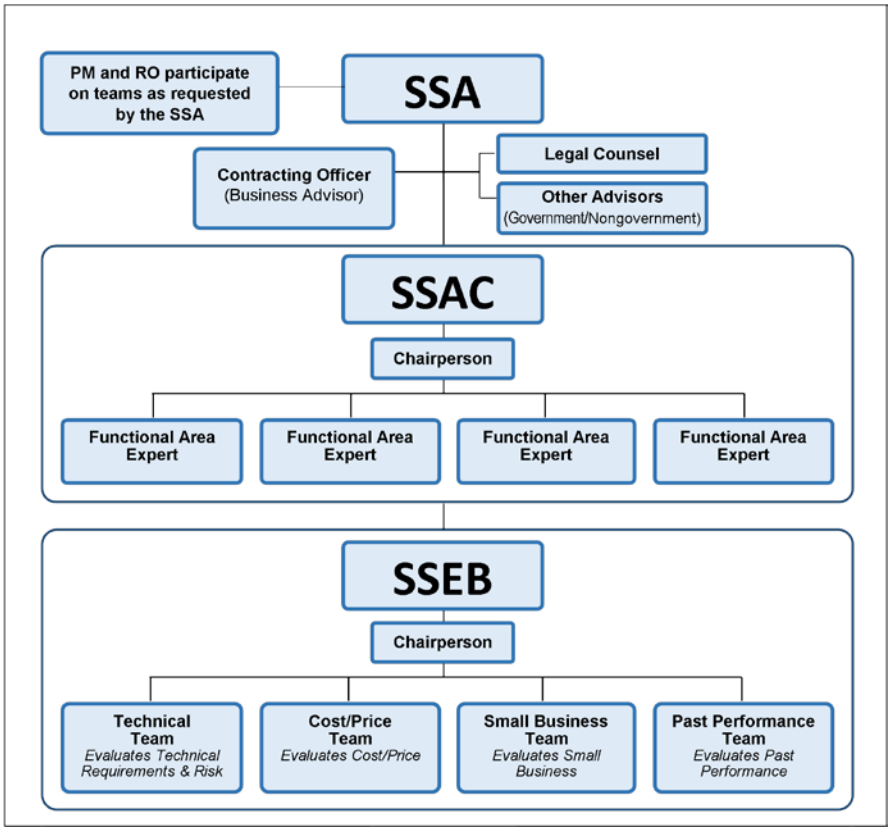

Figure 1: Typical SST Structure for Solicitations ≥ $100M

1.4.1 SSA.

1.4.1.1 SSA Appointment. The SSA is the individual designated to make the best value decision. The appointment of the individual to serve as the SSA shall be commensurate with the complexity and dollar value of the acquisition. For acquisitions with a total estimated value of $100 million or more, the Agency head shall appoint, in writing, an individual other than the PCO as the SSA. For all other acquisitions, the PCO may serve as the SSA in accordance with FAR 15.303(a) unless the Agency head or designee appoints another individual.

1.4.1.2 SSA Responsibilities. In addition to responsibilities listed in FAR 15.303(b) and DFARS 215.303(b)(2), the SSA shall:

1.4.1.2.1 Be responsible for the proper and efficient conduct of the source selection process in accordance with this document and all applicable laws and regulations.

1.4.1.2.2 Appoint the chairperson for the SSEB and, when used, the SSAC.

1.4.1.2.3 Ensure that personnel appointed to the SST are knowledgeable of policy and procedures for properly and efficiently conducting the source selection. Ensure the SST members have the requisite acquisition experience, skills, and training necessary to execute the source selection, and ensure the highest level of team membership continuity for the duration of the selection process.

1.4.1.2.4 For major system, service, or automated information systems acquisitions, ensure no senior leader is assigned to or performs dual leadership roles in the source selection in accordance with DFARS 203.170(a).

1.4.1.2.5 Ensure that realistic source selection schedules are established and source selection events are conducted efficiently and effectively in meeting overall program schedules. The schedules should support proper and full compliance with source selection procedures outlined in this document and the SSA-approved SSP for the acquisition.

1.4.1.2.6 Ensure all involved in the source selection are briefed and knowledgeable of applicable portions of 41 U.S.C. § 2102 - Prohibitions on Disclosing and Obtaining Procurement Information; FAR 3.104 regarding unauthorized disclosure of contractor bid and proposal information and source selection information; and 5 Code of Federal Regulations Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch, regarding applicable standards of conduct (including procedures to prevent the improper disclosure of information). To confirm statutory and regulatory compliance, ensure all persons receiving source selection information sign a Non-disclosure Agreement and a Conflict of Interest statement. Ensure Conflict of Interest Statements (from both Government members/advisors and nongovernment team advisors) are appropriately reviewed and actual or potential conflict of interest issues are resolved prior to granting access to any source selection information.

1.4.1.2.7 If the solicitation states the Government intends to award without discussions and it is later determined that discussions are necessary, review and approve the PCO's written rationale (see FAR 15.306(a)(3)). If discussions will be conducted, review and approve the PCO's written determination of the competitive range or elimination of an offeror previously determined to be in the competitive range (see paragraph 3.4).

1.4.1.2.8 Select the source whose proposal offers the best value to the Government in accordance with evaluation criteria and basis for award stated in the solicitation.

1.4.1.2.9 Document the rationale in the Source Selection Decision Document (SSDD) (as detailed in paragraph 3.10).

1.4.2 PCO.

1.4.2.1 PCO Selection. The PCO will serve as the primary business advisor and principal guidance source for the entire source selection. Agencies have discretion in the selection of the individual to serve as the PCO. However, the PCO, as the principal guidance source, should have prior experience in the source selection process.

1.4.2.2 PCO Responsibilities. In addition to responsibilities listed in FAR 15.303(c), the PCO shall:

1.4.2.2.1 Manage all business aspects of the acquisition and work with the SSEB Chair to ensure the evaluation is conducted in accordance with the evaluation criteria specified in the solicitation. When an SSA and SSAC Chair are appointed, advise and assist them in the execution of responsibilities outlined in paragraphs 1.4.1.2 and 1.4.3.3.1

1.4.2.2.2 Ensure that required approvals are obtained and the appropriate notification clause is included in the solicitation before nongovernment personnel are allowed to provide source selection support (e.g., FAR 7.503 and 37.205).

1.4.2.2.3 In accordance with FAR 3.104 and DFARS 203.104, ensure that procedures exist to safeguard source selection information and contractor bid or proposal information (FAR 15.207). Approve appropriate access to source selection information and contractor bid or proposal information after consulting Legal Counsel before and after contract award.

1.4.2.2.4 Maintain, as a minimum, the documents and source selection evaluation records as detailed in Section 4 of this document.

1.4.2.2.5 Release the final solicitation only after obtaining all required approvals, including the SSA approval of the SSP.

1.4.2.2.6 Serve as the single point of contact for all solicitation-related inquiries from actual or prospective offerors.

1.4.2.2.7 After receipt of proposals, control exchanges with offerors in accordance with FAR 15.306.

1.4.2.2.8 For acquisitions with an estimated value of $100 million or more, per DFARS 215.306(c)(1), contracting officers should conduct discussions; however, discussions are highly encouraged. If the solicitation states the Government intends to award without discussions, determine whether discussions are necessary after reviewing proposal evaluation results. If discussions are determined to be necessary, document the rationale and submit it to the SSA for review and approval.

1.4.2.2.9 Prior to conducting discussions, determine the competitive range, document the basis for excluding any offeror from the competitive range, and submit it to the SSA for review and approval. Written notice of this decision shall be provided to the unsuccessful offeror(s) in accordance with FAR 15.503(a).

1.4.2.2.10 Conduct and document debriefings in accordance with Appendix A of this document and FAR 15.505 or 15.506, as applicable.

1.4.3 SSAC.

1.4.3.1 Establishment and Role of SSAC.

1.4.3.1.1 The SSA establishes an SSAC to gain access to functional area expertise to provide the support the SSA requires throughout the source selection process.

1.4.3.1.2 The SSA shall establish an SSAC for acquisitions with a total estimated value of $100 million or more unless a waiver is approved. An SSAC is optional, but strongly encouraged, for special interest acquisitions with a total estimated value of less than $100 million.

1.4.3.1.3 The primary role of the SSAC is to provide a written comparative analysis of offers and recommendation to the SSA. When an SSAC is established, it will provide oversight to the SSEB.

1.4.3.1.4 The SSA may convene the SSAC at any stage in the evaluation process as needed.

1.4.3.2 SSAC Composition.

1.4.3.2.1 The SSAC is comprised of an SSAC Chairperson and SSAC Members.

1.4.3.2.2 SSAC Members should represent the specific functional areas from which the SSA may require expertise.

1.4.3.3 SSAC Responsibilities.

1.4.3.3.1 SSAC Chairperson shall:

1.4.3.3.1.1 Appoint SSAC members, subject to SSA approval. Use of nongovernment personnel as voting members of the SSAC is prohibited. (FAR 7.503(c)(12)(ii)).

1.4.3.3.1.2 Consolidate the advice and recommendations from the SSAC into a written comparative analysis and recommendation for use by the SSA in making the best value source selection decision. Ensure that minority opinions within the SSAC are documented and included within the comparative analysis.

1.4.3.3.2 The SSAC members shall:

1.4.3.3.2.1 Review the evaluation results of the SSEB to ensure the evaluation process follows the evaluation criteria and the ratings are appropriately and consistently applied.

1.4.3.3.2.2 Using the SSEB ratings, as well as their own expertise, perform a comparative analysis of the proposals against one another to assess which proposal represents the best value as defined in the RFP.

1.4.4 SSEB.

1.4.4.1 SSEB Composition. The SSEB is comprised of a Chairperson and Evaluators (also known as SSEB members). As shown in Figure 1 and discussed below, SSEB members are frequently organized into functional teams corresponding to specific evaluation criteria (e.g., Technical Team, Cost/Price Team, Past Performance Team, Small Business Team). In those instances, a Functional Team Lead may be utilized to consolidate the evaluation findings of the team and serve as the primary team representative to the SSEB Chair.

1.4.4.1.1 Technical (or other Non-Cost/Price) Team.

1.4.4.1.1.1 Technical Advisors may assist the SST by identifying technological risks and capabilities and developing technical evaluation factors.

1.4.4.1.1.2 Technical Team members shall:

1.4.4.1.1.2.1 Advise the SSA, PCO, SSAC, and SSEB, as required, related to technical and risk matters in the source selection process.

1.4.4.1.1.2.2 Coordinate with SSEB members (especially cost/pricing experts) to ensure consistency between the technical portion of the proposal and proposed cost/prices.

1.4.4.1.1.2.3 Assist with the technical portion of the evaluation process.

1.4.4.1.2 Cost/Price Team.

1.4.4.1.2.1 Pursuant to FAR 15.404-1, the Contracting Officer is responsible for evaluating the reasonableness of offered prices. However, cost or pricing expertise is a critical component in the source selection process, especially for high dollar, complex acquisitions.

1.4.4.1.2.2 Cost/pricing team members shall:

1.4.4.1.2.2.1 Advise the SSA, PCO, SSAC, and SSEB, as required, on matters related to the cost or pricing aspects of the source selection process.

1.4.4.1.2.2.2 Coordinate with SSEB members (especially technical evaluators) to ensure consistency between the proposed costs/prices and other portions of the proposal.

1.4.4.1.2.2.3 Consider materiality and risk to the Government when making decisions on the level of information requested.

1.4.4.1.2.2.4 Use external Government resources (e.g., DCAA, DCMA) to perform cost modeling, track status or perform subcontractor and interdivisional assist audits, troubleshoot audit issues, augment technical evaluations, provide rate recommendations, etc., as appropriate. If a full audit is not required, ensure that the scope of the audit and the format of the audit findings are tailored to address significant cost risk presented in the proposal.

1.4.4.1.2.2.5 Participate as a non-voting member in the SSAC meetings, as requested.

1.4.4.1.3 Small Business Team.

1.4.4.1.3.1 Small Business Advisors may assist the SST by providing organizational small business goals, identifying market capabilities, and developing small business participation evaluation factors.

1.4.4.1.3.2 Small Business team members shall:

1.4.4.1.3.2.1 Advise the SSA, PCO, SSAC, and SSEB, as required, related to small business matters in the source selection process.

1.4.4.1.3.2.2 Assist with the small business portion of the evaluation process.

1.4.4.1.4 Past Performance Team.

1.4.4.1.4.1 Past Performance Advisors may assist the SST by compiling past performance information as delineated in paragraph 3.1.3.2 and developing past performance evaluation factors, as appropriate.

1.4.4.1.4.2 Past Performance Team members shall:

1.4.4.1.4.2.1 Advise the SSA, PCO, SSAC, and SSEB, as required, related to past performance matters in the source selection process.

1.4.4.1.4.2.2 Assist with the past performance portion of the evaluation process.

1.4.4.2 Use of nongovernment personnel as voting members of the SSEB is prohibited (see FAR 7.503(c)(12)(ii)).

1.4.4.3 Government personnel assigned to the SSEB shall consider this duty as their primary responsibility. Their source selection assignment shall take priority over other work assignments. Supervisors are responsible for ensuring that other work assignments do not adversely impact the source selection process.

1.4.4.4 SSEB Responsibilities.

1.4.4.4.1 SSEB Chairperson shall:

1.4.4.4.1.1 Be responsible for the overall management of the SSEB and act as the SSEB's interface to the SSAC (if utilized) and the SSA.

1.4.4.4.1.2 Establish functional evaluation teams, as appropriate, to support an efficient source selection evaluation. Appoint chairpersons and members to the functional evaluation teams, subject to approval of the SSA.

1.4.4.4.1.3 Ensure the skills of the personnel, the available resources, and the time assigned are commensurate with the complexity of the acquisition.

1.4.4.4.1.4 Ensure members of the SSEB are trained and knowledgeable on how an evaluation is conducted prior to reviewing any proposals.

1.4.4.4.1.5 Ensure the evaluation process follows the evaluation criteria and ratings are applied consistently.

1.4.4.4.1.5.1.1 Provide consolidated evaluation results in an SSEB Report to the SSA and/or the SSAC if the SSAC is designated as the interface between the SSEB and SSA.

1.4.4.4.1.6 Support any post-source-selection activities such as debriefings and postaward reviews/meetings, as required.

1.4.4.4.2 The SSEB members shall:

1.4.4.4.2.1 Conduct a comprehensive review and evaluation of proposals based solely on the evaluation criteria outlined in the RFP.

1.4.4.4.2.2 Assist the SSEB Chairperson in documenting the SSEB evaluation results.

1.4.4.4.2.3 Support any post-source-selection activities, such as debriefings and postaward reviews/meetings, as required.

1.4.4.4.3 Neither the SSEB Chairperson nor the SSEB members shall perform comparative analysis of proposals or make source selection recommendations unless requested by the SSA.

1.4.5 Legal Counsel.

1.4.5.1 Legal Counsel is an integral part of the source selection process and is crucial in reviewing documentation for legal sufficiency as well as providing legal advice throughout the source selection process.

1.4.5.2 Legal Counsel shall:

1.4.5.2.1 Advise the SSA, PCO, SSAC, and SSEB, as required, on matters related to the legal aspects of the source selection process.

1.4.5.2.2 In accordance with Agency procedures, review the RFP prior to issuance and review source selection documents to ensure consistency with law, policy, and regulations.

1.4.5.2.3 Participate as a non-voting member in the SSAC meetings.

1.4.5.2.4 In accordance with Agency procedures, review the proposed contract prior to award, and upon request, assist the PCO during discussions with the offerors and debriefing the unsuccessful offerors.

1.4.6 Other Advisors.

1.4.6.1 Government Advisors. Consideration should be given to the use of Government advisors to assist the SSA, SSAC, and SSEB, as appropriate. These advisors can provide expertise within specific functional areas. Government advisors may also be used to provide assistance to the SSEB as subject-matter experts, even when an SSAC is used.

1.4.6.2 Nongovernment Advisors. The SSA may authorize the use of nongovernment personnel as advisors.

1.4.6.2.1 Requirements for use of nongovernment advisors. All nongovernment advisors shall sign the non-disclosure agreement required to be signed by all Government employees who are participating in the source selection, even if the nongovernment advisors are employed by a contractor with a contract that contains a company-level non-disclosure agreement. They shall also submit documentation to the PCO indicating their personal stock holdings for a conflicts of interest review in consultation with the legal advisor prior to being allowed access to source selection information. The PCO shall include the results of this review in the contract file. The actual documents, which may contain Personally Identifiable Information, shall be retained by Legal Counsel. In addition, the PCO must ensure that before the nongovernment advisor is given access to proprietary or source selection information, that: 1) that the offerors have entered into their own non-disclosure agreement with the non-Government advisor, or with the company employing the nongovernment advisor (see FAR 9.505-4(b)), and 2) the Government has received the consent of the offerors to provide access to its proprietary information to the nongovernment advisor or the company which employs the nongovernment advisor. If nongovernment advisors are contemplated, it is a best practice to list in the RFP (and Draft RFP) the organizations that will be providing source selection support so that potential issues may be identified and resolved early in the source selection process.

1.4.6.2.2 Limitations on use of nongovernment advisors. Nongovernment advisors may assist in and provide input regarding the evaluation, but they may not determine ratings or rankings of offerors' proposals. Use of nongovernment personnel as voting members of the SSEB or SSAC (if convened) is prohibited. (FAR 7.503(c)(12)(ii)). Disclosure of past performance information to nongovernment personnel is strictly prohibited (see "Guidance for the Contractor Performance Assessment Reporting System (CPARS)"). Accordingly, nongovernment advisors shall not participate in the review and evaluation of past performance information (see FAR 42.1503(d)).

1.4.6.2.3 The use of nongovernment advisors, other than Federally Funded Research and Development Centers, shall be supported by a written determination based on FAR 37.203(d)(1) and 37.204(b).

1.4.7 Program Manager

For acquisitions where a PM is assigned, the PM provides a key leadership role in the source selection process and shall:

1.4.7.1 Ensure the technical requirements, consistent with the cognizant requirements document, are approved and stable, establish technical specifications, and develop a Statement of Work (SOW), Statement of Objectives (SOO), or Performance Work Statement (PWS). In conjunction with the RO, ensure an Independent Government Cost Estimate is developed before release of the final RFP.

1.4.7.2 Allocates the necessary resources including personnel, funding and facilities to support the source selection process.

1.4.7.3 Assists in the establishment of the SST to include serving as an advisor or member of the SSAC and/or the SSEB as needed.

1.4.7.4 Assists in the development of the evaluation criteria consistent with the technical requirements/risk.

1.4.7.5 During acquisition planning and development of the source selection methodology, identify areas where tailoring the source selection process would be beneficial to fully support program objectives. Coordinate tailoring recommendations and requests for waivers with the SSA and PCO to implement any changes to the process (see paragraph 1.2.4).

1.4.7.6 Support any post-source-selection activities such as debriefings and postaward reviews/meetings, as required.

1.4.8 Requirements Owner (RO)

The RO is generally the generator of the acquisition requirement based on the need to satisfy a capability or performance gap. The outcome and subsequent cost, schedule, and performance of the resulting product or service is completely dependent on the accuracy and specificity of the requirement. The RO shall:

1.4.8.1 Establish robust support, review, training on requirements development, and requirements validation procedures to ensure Government requirements are clear, concise, and descriptive in outlining the mission need and desired outcome.

1.4.8.2 Ensure that requirements documents are stable, reviewed, and validated by the appropriate authority outlined in Service and DoD Agency requirement validation procedures.

1.4.8.3 Assist with selecting a tradeoff methodology; identify whether specific, measurable above-minimum performance parameters exist for the acquisition; and

determine a commensurate monetary value which can be assigned to parameters for evaluation purposes.

1.4.8.4 Assist the PM (when assigned), the SSA, PCO, and SST with identifying the resources required to obtain a product or service that will meet Government performance standards and requirements.

2 Pre-Solicitation Activities

2.1 Conduct Acquisition Planning

2.1.1 Acquisition Planning. Appropriate acquisition planning is paramount for a successful source selection. FAR subpart 7.1 and DFARS subpart 207.1 address policies related to acquisition planning and development of written Acquisition Plans.

2.1.1.1 Requirements. The RO is responsible for ensuring funded requirements are effectively addressed within the requirements documents, and must convey these requirements to the PM (when assigned) for inclusion in the Acquisition Plan.

2.1.1.2 Risk Assessment. The RO, or PM (when assigned), in conjunction with the acquisition team members and stakeholders, shall conduct the risk analysis in accordance with FAR 7.105(a)(7) necessary to support the acquisition planning process. This assessment is critical in developing source selection criteria and evaluation factors.

2.1.1.3 Peer Reviews. Preaward peer reviews shall be conducted in accordance with DFARS 201.170 and PGI 201.170. Procurement values shall include all options and planned orders. The reviews shall be advisory in nature and conducted in a manner that preserves the authority, judgment, and discretion of the PM, PCO, and senior officials of the acquiring organization. As much as possible, these reviews should be combined with component-level reviews to promote efficiency. The acquisition team must build these review requirements into their acquisition planning milestones. Peer Review documents should be marked, "Source Selection Information – See FAR 2.101 and 3.104."

2.1.2 Market Research. Conducting market research is a responsibility shared by the PM, RO, and PCO, with assistance from the Small Business Professional/Specialist and other acquisition team members. Market research is essential to identifying capabilities within the market to satisfy the agency's needs and is key in developing source selection criteria that will ultimately determine whether commercial items or services, small businesses, or other public/private sectors of Industry can meet the Government's needs. Market research significantly influences the requirements document, is central to designing an acquisition strategy, and identifies candidate evaluation criteria, which influence the overall source selection process. Thorough and complete market research is the foundation of an effective source selection process. See FAR 10.001 and DFARS 210.001 for requirements and benefits of conducting and documenting market research. Early Industry involvement is essential in market research and is vital to the source selection process. Exchanging information on upcoming acquisitions improves Industry understanding of Government requirements and Government understanding of Industry capabilities (see FAR 15.201).

2.1.2.1 Presolicitation Notices. A "sources sought" synopsis or Request for Information published in the Federal Business Opportunities (https://www.fbo.gov/)

may be used as a market research tool to determine the availability and adequacy of potential business sources prior to determining the method of acquisition.

2.1.2.2 Industry Engagement/Industry Days. Industry engagement, under the guidance of the PCO, is essential to a successful competitive acquisition. In a memorandum dated February 2, 2011, "Myth-Busting: Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process," the Administrator for Federal Procurement Policy in the Office of Management and Budget directed, in part, that agencies to remove unnecessary barriers to communication with Industry. Meaningful communications with Industry should begin early during the development of the contract requirements and the acquisition strategy. This helps ensure the Government has realistic requirements and is aware of Industry best practices, new technologies, innovative alternatives and potential capabilities while building specifications, statements of work, and/or performance work statements. To ensure the best possible proposals from Industry and the best possible outcome for the Government, the SST should provide opportunities for meaningful interaction with Industry, including one-on-one meetings with individual firms.

A vital tool in collecting information and feedback important to framing the Department's acquisition strategy is the use of Industry days (e.g., presolicitation conferences, pre-proposal conferences). An Industry day is highly recommended, and in many cases, there should be more than one as the acquisition strategy formulation evolves and evaluation criteria are developed.

2.1.2.3 Draft Request for Proposals (RFP). A draft RFP is an important tool to seek input from Industry on the Department requirement and ensure greater understanding on both sides of the acquisition. Use of one or more draft RFPs is highly recommended, and the issuance of multiple draft RFPs for Industry comment should be considered, depending on the complexity of the acquisition. The specific content of a draft RFP ultimately will be determined by the PM and PCO and should be coordinated with Legal Counsel prior to release to Industry in accordance with agency procedures. While the use of a draft RFP will not reduce the length of time Industry needs to build and submit proposals, it will positively impact the level of competition, volume of bidders' questions, number of RFP amendments, and quality of the RFP, proposals, and resultant contract.

2.2 **Develop a Source Selection Plan (SSP)**

A written SSP is required for all competitive acquisitions that use these source selection procedures. In accordance with DFARS 215.303(b)(2), the SSA shall approve the SSP before the final solicitation is issued. At a minimum, the SSP shall include:

2.2.1 Background and Objectives. Include a brief description of the requirement, a summary of the objectives, and any reference to applicable guidance.

2.2.2 Acquisition Strategy. Provide a synopsis of the planned acquisition approach to include a description of how the specific acquisition being competed fits into the entire program.

2.2.3 Source Selection Team. Describe the organizational structure and identify the various roles and responsibilities of the source selection team, such as the SSA, Advisors, SSAC, SSEB, the PCO, and functional teams (e.g., Technical, Cost/Price, Small Business, and Past Performance). List members and advisors by name, position and title, organization, company affiliation (if applicable), and functional area.

2.2.4 Communications. Describe the process and controls for communication with Industry as well as internal Government team communication, to include the use of email, during the source selection. Outline the security measures that will be utilized to ensure that "source selection information" is marked "Source Selection Information – See FAR 2.101 and 3.104" and the network(s) on which such information is stored or shared is protected from staff members or support contractors outside the SST (see FAR 2.101 and FAR 3.104).

2.2.5 Evaluation Factors and Subfactors. Include evaluation criteria within the SSP document or attach the relevant and most current portions of the solicitation (e.g., Section L (Instructions, Conditions, and Notices to Offerors) and Section M (Evaluation Factors for Award)) to preclude inconsistencies between the SSP and the solicitation.

2.2.6 Documentation. Identify the types of documents that will be prepared during the course of the source selection, to include at a minimum, an SSEB Report covering the initial evaluation, updated as necessary following responses to discussions; a final SSEB Report after receipt of Final Proposal Revisions; an SSAC Report, if there is an SSAC, which reflects the SSAC's consideration of the final SSEB Report and makes the SSAC's recommendation to the SSA; and the SSDD, which reflects the SSA's independent judgment in accordance with FAR 15.308. The SSDD shall document the rationale for any tradeoffs made or relied upon by the SSA, including benefits associated with additional costs, and for any business judgments.

2.2.7 Schedule of Events. List the major acquisition activities and projected completion dates. Include key events such as peer reviews, Industry Days, and draft RFPs (see paragraph 2.1) as significant source selection activities.

2.2.8 Nongovernment Advisors. Address the use of nongovernment advisors and compliance with requirements of paragraph 1.4.6.2.

2.2.9 Securing Source Selection Materials. Detail the plan for securing all source selection materials throughout the evaluation process.

2.3 **Develop the Request for Proposals**

A well-written RFP is absolutely critical to the success of the source selection. The SST shall ensure consistency between the requirements documents, SSP, and RFP. The acquisition team must ensure a clear linkage between the requirements and evaluation factors to maximize the accuracy and clarity of the RFP.

2.3.1 Evaluation Factors/Subfactors. Evaluation factors and subfactors represent those specific characteristics that are tied to significant RFP requirements and objectives having an impact on the source selection decision and which are expected to be discriminators or are required by statute/regulation. They are the uniform baseline against which each offeror's proposal is evaluated, allowing the Government to make a best value determination.

2.3.2 Evaluation Factor/Subfactor Weighting. The evaluation of factors and subfactors may be quantitative, qualitative, or a combination of both. However, numerical or percentage weighting of the relative importance of evaluation factors and subfactors shall not be used. [NOTE: Numerical or percentage weighting of the relative importance of evaluation factors and subfactors is different than assigning quantifiable or monetized value tradeoffs in evaluating an offeror's proposal as addressed in Appendix B.]

2.3.3 The solicitation may prescribe minimum "go/no go" or "pass/fail" gates as criteria that an offeror's proposal must meet before advancing in the proposal evaluation process.

2.3.4 Evaluation Factor/Subfactor Documentation. The evaluation factors and subfactors shall be set forth in the solicitation in enough depth to communicate how requirements will be evaluated. The evaluation factors and subfactors shall be the primary determinant of the detailed information requested in the solicitation's instructions to offerors. If subfactors are used, they are to be evaluated separately. All source selections shall evaluate cost or price and the quality of the product or service.

2.3.4.1 Cost or Price. The Government shall evaluate the cost or price of the supplies or services being acquired (see FAR 15.305(a)(1) and 15.404-1(a)(1)). See paragraph 3.1.1 for more information.

2.3.4.2 Quality of Product or Service. In accordance with FAR 15.304(c)(2), the quality of product or service shall be addressed in every source selection through consideration of one or more non-cost evaluation factors such as past performance, compliance with solicitation requirements, technical excellence, management capability, personnel qualifications, and prior experience.

NOTE: The term "technical," as used below and throughout the document, refers to non-cost factors other than past performance. More than one technical factor can be used and titled to match the specific evaluation criteria appropriate for the RFP. Unless stated otherwise in this document, the ratings in Table 2A and Table 2B or

Table 3 shall be used for all quality of product or service factors other than past performance, regardless of the technical factor title.

2.3.4.2.1 Technical. The purpose of the technical factor(s) is to assess the offeror's proposed approach, as detailed in its proposal, to satisfy the Government's requirements. There are many aspects which may affect an offeror's ability to meet the solicitation requirements. Examples include technical approach, risk, management approach, personnel qualifications, facilities, and others. The evaluation of risk is related to the technical assessment. Consistent with USD(AT&L) Better Buying Power initiatives and dependent on the best value method selected, coordinate with the RO to provide offerors the monetary value of performance or capabilities above threshold requirements in the RFP whenever possible when deemed to be in the best interest of the Government.

The technical factor may be divided into subfactors that represent the specific areas that are significant enough to be discriminators and to have an impact on the source selection decision. When subfactors are used, establish the minimum number necessary for the evaluation of proposals.

Technical Risk. Risk assesses the degree to which the offeror's proposed technical approach for the requirements of the solicitation may cause disruption of schedule, increased costs, degradation of performance, the need for increased Government oversight, or increased likelihood of unsuccessful contract performance. All evaluations that include a technical evaluation factor shall also consider risk, separately or in conjunction with technical factors, with the exception of LPTA where the technical proposal is evaluated only for acceptability based on stated criteria. Risk can be evaluated in one of two ways:

- As a separate risk rating assigned at the technical factor or subfactor level (see paragraph 3.1.2.1).

- As one aspect of the technical evaluation, inherent in the technical evaluation factor or subfactor ratings (see paragraph 3.1.2.2).

2.3.4.2.2 Past Performance. The past performance evaluation factor assesses the degree of confidence the Government has in an offeror's ability to supply products and services that meet users' needs, based on a demonstrated record of performance. Unless waived by the PCO, after consultation with the SSA and PM (if a PM is assigned), a past performance evaluation is required in accordance with FAR 15.304(c)(3). A past performance evaluation may be accomplished for acquisitions below these thresholds at the discretion of the SSA. Past performance need not be evaluated if the PCO documents the reason past performance is not an appropriate evaluation factor for the acquisition (FAR 15.304(c)(3)(iii)). With appropriate parameters to assess past performance recency and relevancy, ratings of "acceptable" or "unacceptable" may be used

(see Appendix C, Table C-2) if past performance is not a discriminating factor in the source selection.

2.3.4.2.3 Small Business Participation. Where required by FAR 15.304(c)(4) and DFARS 215.304(c)(i), the SSEB shall evaluate the extent of participation of small business concerns. This may be accomplished by one of the following:

- Establishing a separate Small Business Participation evaluation factor, or
- Establishing a Small Business Participation subfactor under the technical factor, or
- Considering Small Business Participation within the evaluation of one of the technical subfactors.

With appropriate parameters to measure the extent of small business participation, Small Business participation may be evaluated using an "acceptable" or unacceptable" rating (see Table 6).

2.3.5 Relative Importance of Factors. If using the tradeoff source selection process, all factors and significant subfactors that will affect contract award and their relative importance shall be stated clearly in the solicitation (see FAR 15.304(d)). The solicitation shall state, at a minimum, whether all evaluation factors other than cost or price, when combined, are (1) significantly more important than cost or price; (2) approximately equal to cost or price; or (3) significantly less important than cost or price (see FAR 15.304(e)).

2.4 Release the Request for Proposals

As stated in paragraph 2.1.2.3, use of draft RFPs is highly recommended. Prior to release of the final RFP, a thorough, consolidated review by a multi-disciplined team is highly recommended for solicitations below the threshold for formal peer reviews required by DFARS 201.170.

3 Evaluation and Decision Process

3.1 Evaluation Activities

The SSEB shall conduct an in-depth review of each proposal against the factors and subfactors established in the solicitation, and assign evaluation ratings (see FAR 15.305). The standardized rating tables and rating definitions detailed in this document are required to be used for adjectival ratings. For any technical factors and factors/subfactors evaluated on other than an "acceptable/unacceptable" basis, including risk, the ratings in this section shall be utilized. When any factors/subfactors are not discriminating factors in the source selection and evaluated on an "acceptable/unacceptable" basis, the ratings set forth in Appendix C, Table C-1 shall be utilized.

3.1.1 Cost or Price Evaluation. Cost or price to the Government shall be evaluated in every source selection. However, no adjectival ratings shall be utilized for evaluating cost or price. The level of detail of analysis required will vary among acquisitions depending on the complexity and circumstances of the acquisition, including the degree of competition, the phase of the program, the type of product/services to be acquired, and the contract type. In order to enable offerors to make informed decisions about how best to propose, every solicitation will provide an adequate description of the cost or price evaluation. In all source selections, the analysis must include a determination, by the PCO, of whether the proposed cost or price is fair and reasonable (FAR 15.305(a)(1)).

3.1.1.1 All offers with separately priced line items or subline items shall be analyzed to determine if the prices are unbalanced (FAR 15.404-1(g)). Offers may be rejected if the PCO determines the lack of balance poses an unacceptable risk to the Government. Prices determined to be unbalanced shall be thoroughly documented during the evaluation process for inclusion in the SSDD.

3.1.1.2 When contracting on a cost-reimbursement basis, evaluations shall include a cost realism analysis to determine what the Government should realistically expect to pay for the proposed effort and to evaluate the offeror's understanding of the work and ability to perform the contract. The resultant probable cost shall be used for purposes of evaluation to determine the best value (FAR 15.305(a)(1), 15.404-1(c)(1), and 15.404-1(d)(2)).

3.1.1.3 When contracting on a firm-fixed-price or fixed-price with economic price adjustment basis, comparison of the proposed prices will usually satisfy the requirement to perform a price analysis since competition normally establishes price reasonableness, and a cost analysis need not be performed (see FAR 15.305(a)(1)).

3.1.1.4 Cost realism analyses may be used on competitive fixed-price incentive contracts or, in exceptional cases, on other competitive fixed-price type contracts, to assess the offeror's understanding of the requirement. Results of these analyses may be used in cost risk assessments, performance risk assessments and responsibility determinations; they may not be used to establish a Most Probable Cost. Thus, only

the offered price on these fixed-price contracts may be used to make a value adjustment when using VATEP (see FAR 15.404-1(d)(3) and Appendix B, paragraph B.4.2).

3.1.1.5 When FAR 52.222-46, Evaluation of Compensation for Professional Employees (February 1993), is included in the contract, the Government shall evaluate whether an awardee understands the contract requirements and has proposed a compensation plan appropriate for those requirements.

3.1.1.6 Additional guidance on cost or price evaluation may be found at FAR 15.4. Current Department initiatives may be found at the DPAP website (http://www.acq.osd.mil/dpap/DP/docs/Defense_Pricing_trifold11.13.pdf).

3.1.2 Technical Rating Evaluation Processes (See Appendix C for LPTA). The technical rating reflects the degree to which the proposed approach meets or does not meet the threshold performance or capability requirements. Evaluations shall be in accordance with the criteria established in the solicitation (see paragraph 2.3.1). The relative strengths, deficiencies, significant weaknesses, and risks identified as the result of the proposal evaluation shall be documented in the contract file. The solicitation shall include a notice to inform offerors that performance or capabilities proposed above mandatory minimums may be incorporated into the contract particularly if the VATEP source selection process will be used (see FAR 15.306(d)(4) and paragraph 3.12).

As referenced in paragraph 2.3.4.2.1, one of two distinct methodologies can be used to evaluate the technical approach and related risk. Methodology 1, outlined at paragraph 3.1.2.1, provides separate technical and risk ratings. Methodology 2, outlined at paragraph 3.1.2.2, includes risk associated with the technical approach in a single rating.

3.1.2.1 Methodology 1: Separate Technical/Risk Rating Process.

3.1.2.1.1 Technical Rating. The offeror's technical solution will be rated separately from the risk associated with its technical approach. The technical rating evaluates the quality of the offeror's technical solution for meeting the Government's requirement. The risk rating considers the risk associated with the technical approach to meeting the requirement. Unless a waiver is granted, technical evaluations shall utilize the ratings listed in Table 2A and Table 2B.

Table 2A. Technical Rating Method

Color Rating	Adjectival Rating	Description
Blue	Outstanding	Proposal indicates an exceptional approach and understanding of the requirements and contains multiple strengths.
Purple	Good	Proposal indicates a thorough approach and understanding of the requirements and contains at least one strength.
Green	Acceptable	Proposal indicates an adequate approach and understanding of the requirements.
Yellow	Marginal	Proposal has not demonstrated an adequate approach and understanding of the requirements.
Red	Unacceptable	Proposal does not meet requirements of the solicitation and, thus, contains one or more deficiencies and is unawardable.

3.1.2.1.2 Technical Risk Rating. Assessment of technical risk, which is manifested by the identification of weakness(es), considers potential for disruption of schedule, increased costs, degradation of performance, the need for increased Government oversight, and/or the likelihood of unsuccessful contract performance. Technical risk shall be rated using the ratings listed in Table 2B. For firm-fixed-price contracts, the reference to increased cost may be removed from the risk rating descriptions.

Table 2B. Technical Risk Rating Method

Adjectival Rating	Description
Low	Proposal may contain weakness(es) which have little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Proposal contains a significant weakness or combination of weaknesses which may potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.
High	Proposal contains a significant weakness or combination of weaknesses which is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties, even with special contractor emphasis and close Government monitoring.
Unacceptable	Proposal contains a material failure or a combination of significant weaknesses that increases the risk of unsuccessful performance to an unacceptable level.

3.1.2.2 Methodology 2: Combined Technical/Risk Rating. The combined technical/risk rating includes consideration of risk in conjunction with the strengths, weaknesses, significant weaknesses, uncertainties, and deficiencies in determining technical ratings. Unless a waiver is granted, combined technical/risk evaluations shall utilize the combined technical/risk ratings listed in Table 3 and the risk descriptions set forth in Table 2B.

Table 3. Combined Technical/Risk Rating Method

Color Rating	Adjectival Rating	Description
Blue	Outstanding	Proposal indicates an exceptional approach and understanding of the requirements and contains multiple strengths, and risk of unsuccessful performance is low.
Purple	Good	Proposal indicates a thorough approach and understanding of the requirements and contains at least one strength, and risk of unsuccessful performance is low to moderate.
Green	Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements, and risk of unsuccessful performance is no worse than moderate.
Yellow	Marginal	Proposal has not demonstrated an adequate approach and understanding of the requirements, and/or risk of unsuccessful performance is high.
Red	Unacceptable	Proposal does not meet requirements of the solicitation, and thus, contains one or more deficiencies, and/or risk of unsuccessful performance is unacceptable. Proposal is unawardable.

3.1.3 Past Performance Evaluation (See Appendix C for LPTA). The past performance evaluation results in an assessment of the offeror's probability of meeting the solicitation requirements. Past performance need not be evaluated if the contracting officer, with the PM's concurrence if a PM is assigned, documents the reason it is not an appropriate evaluation factor in accordance with FAR 15.304(c)(3)(iii). The past performance evaluation considers each offeror's demonstrated recent and relevant record of performance in supplying products and services that meet the contract's requirements. In accordance with FAR 15.305(a)(2), the currency and relevance of the information, source of the information, context of the data, and general trends in contractor's performance shall be considered. These are combined to establish one performance confidence assessment rating for each offeror.

3.1.3.1 There are three aspects to the past performance evaluation: recency, relevancy (including context of data), and quality (including general trends in contractor performance and source of information).

3.1.3.1.1 Recency. The first is to evaluate the recency of the offeror's past performance. Recency is generally expressed as a time period during which past performance references are considered relevant, and is critical to establishing the relevancy of past performance information. With appropriate parameters to assess past performance recency, descriptions and ratings of "acceptable" or "unacceptable" provided in Appendix C, Table C-2, may be used if past performance is not a discriminating factor in the source selection.

3.1.3.1.2 Relevance. The second is to determine how relevant a recent effort accomplished by the offeror is to the effort to be acquired through the source selection. The criteria to establish what prior performance is recent and relevant shall be unique to each source selection and shall be stated in the solicitation. In establishing what is relevant for the acquisition, consideration should be given to those aspects of an offeror's history of contract (or subcontract) performance that would provide the most context and give the greatest ability to measure whether the offeror will successfully satisfy the current requirement. Common aspects of relevancy include, but are not limited to, the following: similarity of product/service/support, complexity, dollar value, contract type, use of key personnel (for services), and extent of subcontracting/teaming.

There are four levels of relevancy as shown in Table 4. When source selections require a greater level of discrimination within the past performance evaluation, the SST shall use all four of the relevancy ratings identified below. However, for those source selections requiring less discrimination in the past performance evaluation and with appropriate parameters to assess past performance relevancy, descriptions and ratings of "acceptable" or "unacceptable" provided in Appendix C, Table C-2, may be used. The SSP shall clearly identify the treatment of relevancy within the past performance evaluation. With respect to relevancy, past performance of greater relevancy will typically be a stronger predictor of future success and have more influence on the past performance confidence assessment than past performance of lesser relevance.

Table 4. Past Performance Relevancy Rating Method

Adjectival Rating	Description
Very Relevant	Present/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.
Relevant	Present/past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Present/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires.
Not Relevant	Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

3.1.3.1.3 Quality of Products or Services. The third aspect of the past performance evaluation is to establish the overall quality of the offeror's past

performance (see FAR 15.304(c)(2)). The past performance evaluation conducted in support of a current source selection does not establish, create, or change the existing record and history of the offeror's past performance on past contracts; rather, the past performance evaluation process gathers information from customers on how well the offeror performed those past contracts. Requirements for considering history of small business utilization are outlined at FAR 15.304(c)(3)(ii) and DFARS 215.305(a)(2). The Past Performance Evaluation Team will review all past performance information collected and determine the quality of the offeror's performance, general trends, and usefulness of the information and incorporate these into the performance confidence assessment (see paragraph 3.1.3.3). A separate quality assessment rating is not required; rather, the past performance confidence assessment rating is based on the offeror's overall record of recency, relevancy, and quality of performance.

3.1.3.2 Sources of Past Performance Information for evaluation are as follows:

- Past performance information may be provided by the offeror, as solicited;

- Past performance information may be obtained from questionnaires tailored to the circumstances of the acquisition; and

- Past performance information may be obtained from any other sources available to the Government, to include, but not limited to, the Past Performance Information Retrieval System (PPIRS), Federal Awardee Performance and Integrity Information System (FAPIIS), Electronic Subcontract Reporting System (eSRS), or other databases; the Defense Contract Management Agency; and interviews with Program Managers, Contracting Officers, and Fee Determining Officials.

3.1.3.3 Performance Confidence Assessment. When source selections require a greater level of discrimination with the past performance evaluation, the SSEB shall use all confidence ratings identified in Table 5. For those source selections requiring less discrimination in the past performance evaluation, the past performance evaluation team may use, as a minimum, "Satisfactory," "Limited," "No," and "Neutral" confidence ratings. The Table 5 ratings may also be used for evaluation of a technical factor or subfactor for "Corporate Experience" that also evaluates past experience.

In the case of offerors for which there is no information on past contract performance or where past contract performance information is not available, the offeror may not be evaluated favorably or unfavorably on the factor of past contract performance (see FAR 15.305(a)(2)(iv).) In this case, the offeror's past performance is unknown and assigned a performance confidence rating of "neutral." Although the SSEB may not rate an offeror that lacks recent, relevant past performance favorably or unfavorably with regard to past performance, the SSAC may recommend and the SSA may determine, that a "Substantial Confidence" or "Satisfactory Confidence" past

performance rating is worth more than a "Neutral Confidence" past performance rating in a best value tradeoff as long as the determination is consistent with stated solicitation criteria.

Table 5. Performance Confidence Assessments Rating Method

Adjectival Rating	Description
Substantial Confidence	Based on the offeror's recent/relevant performance record, the Government has a high expectation that the offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the offeror's recent/relevant performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort.
Neutral Confidence	No recent/relevant performance record is available or the offeror's performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned. The offeror may not be evaluated favorably or unfavorably on the factor of past performance.
Limited Confidence	Based on the offeror's recent/relevant performance record, the Government has a low expectation that the offeror will successfully perform the required effort.
No Confidence	Based on the offeror's recent/relevant performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort.

3.1.4 Small Business Evaluation (See Appendix C for LPTA). The SSEB shall evaluate the extent of participation of small business concerns (see paragraph 2.3.4.2.3 for evaluation methodologies). The small business participation objectives or requirements shall be clearly stated in the solicitation and, when possible, should state percentage goals for work to be performed by small businesses with applicable breakdown of goals for various categories of small business concerns (e.g., small business, small disadvantaged business, historically underutilized business zone small business, etc.). The ratings utilized for the small business evaluation will be dependent on the small business evaluation methodology utilized.

3.1.4.1 When evaluating small business participation as a stand-alone evaluation factor or a subfactor under the technical factor, there are two rating options as follows:

3.1.4.1.1 Use the descriptions and "acceptable" and "unacceptable" ratings in Table 6.

3.1.4.1.2 Utilize all ratings outlined in Table 6.

Table 6. Small Business Rating Method

Color Rating	Adjectival Rating	Description
Blue	Outstanding	Proposal indicates an exceptional approach and understanding of the small business objectives.
Purple	Good	Proposal indicates a thorough approach and understanding of the small business objectives.
Green	Acceptable	Proposal indicates an adequate approach and understanding of small business objectives.
Yellow	Marginal	Proposal has not demonstrated an adequate approach and understanding of the small business objectives.
Red	Unacceptable	Proposal does not meet small business objectives.

3.1.4.2 When small business participation is not evaluated as a stand-alone evaluation factor or subfactor but instead is considered within the evaluation of one of the technical subfactors, a separate small business rating is not applied. However, small business participation shall be considered in determining the appropriate technical rating to be applied. References to the term "requirements" in the technical ratings description at Table 2A or Table 3 shall equate to small business requirements, often reflected in the RFP as small business objectives.

3.1.5 Solicitation errors, ambiguities, or changes. If at any time during the course of evaluation or discussions the Government becomes aware of an error, ambiguity, or change in the evaluation criteria or requirements, the PCO shall consult with Legal Counsel and the SSA concerning whether it is necessary or appropriate to amend the RFP or resolicit. NOTE: It is almost always necessary to amend the RFP if there is an error or ambiguity that is causing offers to vary widely either in terms of price or technical matters. Cancellation of a solicitation requires a reasoned assessment that the Government's needs have changed to such a substantial degree that additional offeror(s) would participate in the competition if the Government issues a new solicitation for its actual (changed) needs.

3.2 Documentation of Initial Evaluation Results

3.2.1 SSEB Initial Evaluation. Following the initial round of evaluations, the SSEB Chairperson will consolidate the inputs from each of the evaluation teams into an SSEB report for presentation to the SSA. The PCO and the SSEB Chairperson shall ensure that proposals are evaluated solely against the criteria contained in the solicitation and no comparative analysis of proposals was conducted by SSEB members unless clearly stated in the SSP or otherwise directed by the SSA. All evaluation records and narratives shall be reviewed by the PCO, Legal Counsel, and the SSEB Chairperson for completeness and compliance with the solicitation. In the event that the SSEB members are not able to

come to a consensus opinion on the evaluation of a particular proposal, the SSEB Chairperson will document the basis of any disagreement and raise it to the SSAC Chairperson, or if no SSAC, to the SSA to resolve.

When an SSAC has been established, it will review the results of the SSEB to see if additional areas of evaluation by the SSEB are required. It will also review any areas where SSEB members could not agree to try to assist the SSEB in coming to a consensus opinion. If the SSAC cannot resolve the issue, it will raise it to the level of the SSA to resolve.

3.2.2 SSA Discussion Decision. Based upon review of the initial evaluation results, the SSA will decide to either (1) approve award without discussions, or (2) enter into the discussion process.

3.2.3 Discussion Considerations. In accordance with DFARS 215.306, Exchange with Offerors after Receipt of Proposals, discussions should be conducted for all acquisitions with an estimated value of $100 million or more. Award without discussions on complex, large procurements is discouraged and seldom in the Government's best interest.

3.3 Award without Discussions

3.3.1 Applicable Clauses. In appropriate circumstances subject to SSA review and approval, the PCO may decide to award to the offeror whose proposal is determined by the SSA to be the best value on the basis of the initial proposals received without conducting discussions. Limited circumstances would include situations where there is no reasonable expectation that the offer(s) and their expected value to the Government would be improved through discussions. To award without discussions, the RFP must contain the mandatory solicitation provision at FAR 52.212-1 if using FAR part 12, or FAR 52.215-1 ***without Alternate I***, if using FAR part 15, which among other requirements, notifies offerors that the Government intends to evaluate proposals and award a contract without discussions. However, if the RFP includes FAR 52.215-1 with Alternate I, the Government must conduct discussions.

3.3.2 Clarifications. If award will be made without discussions, offerors may be given the opportunity to clarify certain aspects of the proposal or resolve minor or clerical errors (see FAR 15.306(a)(1) and (2)). Clarifications shall be documented on, and conducted via transmittal of, Evaluation Notices (EN) to the applicable offeror. Each EN shall clearly indicate that the type of exchange being conducted is "Clarification." Offerors are not given an opportunity to respond to any identified weaknesses or deficiencies or revise their proposals. Instead, the SSA makes a best value decision based upon the evaluations of the initial proposal as submitted. Cautionary Note: The PCO should consult with Legal Counsel when preparing ENs during the clarification process to ensure the SST does not give the appearance of entering into "Discussions" unintentionally.

3.3.3 Documentation Required Prior to Contract Award. If the SSA chooses to award without discussions, then the SSEB shall document its final evaluation results in an SSEB report (see paragraph 3.7), the SSAC, if used, shall document its comparative analysis in an SSAC report (see paragraph 3.8), and the SSA shall prepare the source selection decision document (see paragraph 3.10). Once the source selection decision document is signed and all other preaward requirements have been met (e.g., announcement of contract awards in accordance with FAR 5.303), the PCO may award the contract.

3.4 Competitive Range Decision Document

A competitive range decision document shall be prepared whenever the PCO establishes, and the SSA approves, a competitive range (see paragraph 3.5.3). The competitive range decision document shall be updated and re-approved by the SSA if an offeror is eliminated from the competitive range prior to making the source selection decision.

3.5 Discussion Process

3.5.1 Objective. The primary objective of discussions is to maximize the Government's ability to obtain best value, based on the requirement and the evaluation factors set forth in the solicitation.

3.5.2 Offeror Communications. After the decision to conduct discussions has been made and prior to the establishment of the competitive range, the PCO may enter into limited "communications" with offerors only as described in FAR 15.306(b). Communications shall be documented on, and conducted via transmittal of, ENs to the applicable offeror. Each EN shall clearly indicate that the type of exchange being conducted is "Communications."

3.5.3 Competitive Range. If discussions are to be conducted, the PCO shall, in consultation with the PM and with the approval of the SSA, establish the competitive range based on the ratings of each proposal against all evaluation criteria, unless the range is further reduced for purposes of efficiency (see FAR 15.306(c)). The criteria used for establishing the competitive range and a written analysis explaining what will be discussed with each offeror shall be documented in a competitive range decision document (see paragraph 3.4). If, during discussions, the PCO decides that an offeror's proposal should no longer be included in the competitive range, the PCO shall obtain SSA approval to eliminate the proposal from consideration for award and update the competitive range decision document. Written notice of this decision shall be provided to unsuccessful offerors in accordance with FAR 15.503.

3.5.4 Content and Documentation. Discussions are tailored to each offeror's proposal and must be conducted by the PCO with every offeror within the competitive range. The scope and extent of discussions are a matter of PCO judgment. While the Government is not required to expound on every item that must be addressed by the offeror to improve its submission, the PCO must conduct and document meaningful discussions. At a minimum, during discussions, the SSEB through the PCO shall indicate to, or discuss

with, each offeror in the competitive range the following: (a) any adverse past performance information to which the offeror has not yet had an opportunity to respond and (b) any deficiencies or significant weaknesses that have been identified during the evaluation. Discussions shall be documented on, and conducted via transmittal of, ENs to the applicable offeror. Each EN shall clearly indicate that the type of exchange being conducted is "Discussions." ENs are prepared by the SSEB and reviewed by the PCO, PM and Legal Counsel. Any EN addressing a proposal deficiency or weakness shall clearly indicate that a deficiency or weakness exists. The PCO is encouraged to discuss other aspects of the offeror's proposal that could, in the opinion of the PCO, be altered or explained to enhance materially the proposal's potential for award, such as weaknesses, excesses, and price. However, the PCO is not required to discuss every area where the proposal could be improved as outlined at FAR 15.306(d) and (e). The PCO is responsible for documenting the disposition and evaluation of each EN.

3.5.5 Best Practices. Though not mandatory, it is a best practice to discuss proposal weaknesses with prospective offerors. It is also a best practice for the PCO to require offerors to submit written proposal changes resulting from discussions before requesting Final Proposal Revisions (FPR) to ensure the offeror understands the EN, the SST understands the offeror's response, and the FPR is a request for pricing updates only.

3.5.6 Conclusion. Discussions are concluded once the PCO has documented the disposition of all ENs that were issued during the course of discussions/negotiations.

3.6 Final Proposal Revisions

3.6.1 Once the decision is made to conclude discussions, each offeror still within the competitive range shall be given an opportunity to submit an FPR by a common cutoff date and time, as established by the PCO (See FAR 15.307(b)). When the PCO is not the SSA, the PCO shall obtain the SSA's written concurrence prior to releasing the FPR request to indicate discussions are closed and there are no further changes to the competitive range. The FPR request shall advise offerors that the FPRs shall be in writing and the Government intends to make award without obtaining further revisions (see FAR 15.307(b)).

3.6.2 After receipt of the FPRs, the SSEB shall complete evaluation of the FPRs. The evaluation criteria from the solicitation shall continue to be the basis for evaluation.

3.7 Documentation of Final Evaluation Results

3.7.1 The SSEB shall prepare documentation of the final evaluation results. The format should be a written narrative report structured consistently with the evaluation criteria. The record of evaluation results shall be in sufficient detail to serve as a clear and concise record of the evaluation analysis and shall be included in the contract file. A decision briefing may be utilized to summarize the narrative report. Additional documentation of the SSEB proceedings may be maintained in accordance with Agency/Service

supplements. The results of the evaluation shall be presented to the SSAC (when used) and to the SSA.

3.7.2 In the event that there is significant disagreement among the SSEB members regarding the evaluation results that should be presented to the SSAC (when used) and the SSA, a minority opinion(s) shall also be presented at the decision briefing providing the SSA with sufficient information to fully consider the minority view(s).

3.8 Conduct and Document the Comparative Analysis

3.8.1 The SSAC, if utilized, shall review the evaluation and findings of the SSEB to ensure their accuracy, consistency, and supportability in accordance with the evaluation criteria and shall provide advice, analysis, briefings, and consultation as requested by the SSA. The SSAC shall provide a written comparative analysis of proposals and an award recommendation in an SSAC report for the SSA's consideration. An SSAC report shall not be prepared for an LPTA source selection (see Appendix C).

3.8.2 In the event that there is significant disagreement among the SSAC members regarding the award recommendation, the minority opinion(s) shall be documented and presented to the SSA as part of the comparative analysis.

3.8.3 If an SSAC is not utilized, the SSEB should not conduct a comparative analysis of the proposals or make an award recommendation unless specifically requested by the SSA or required by the SSP.

3.9 Best Value Decision

3.9.1 The SSA's decision regarding which proposal is most advantageous to the Government shall be based on a comparative assessment of proposals against all source selection criteria in the solicitation. Recommendations, minority opinions presented to the SSA, as well as reports and analyses prepared by the SSEB and SSAC (if used) shall be considered by the SSA. The source selection decision shall represent the SSA's independent judgment and provide a rational basis for the award.

The SSA performs this assessment by comparing the strengths, weaknesses, and the cost/price of the competing proposals to determine which proposal represents the best value to the Government. The analysis must be consistent with the evaluation factors and process described in the RFP. Beyond this, the SSA has broad discretion in making the source selection decision. The SSA shall not merely rely on the adjectival ratings alone. To determine which proposal provides the best value, the SSA must understand and analyze the differences between competing proposals. The SSA is not bound by the evaluation findings of the SSEB or the recommendations of the SSAC as long as the SSA has a rational basis for the differing opinion.

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

- The proposal with the lowest total evaluated price is superior in terms of non-cost factors;
- There are no meaningful distinctions between the non-cost portions of the proposals;
- The proposal with the lowest total evaluated price is not superior in terms of non-cost factors.

In the first two outcomes, the decision is fairly clear that the award should be made to the lowest evaluated 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 in a higher rated proposal warrant the additional price premium. This tradeoff analysis among competing proposals requires a great deal of subjectivity and judgment in determining which proposal is most advantageous to the Government.

The tradeoff process allows for selection of the lowest price acceptable offer or a higher priced offer as providing the best value. If a higher priced offer is selected, there must be rationale as to why payment of a higher price is justified by the beneficial positive aspects of the proposal in the non-cost factors. If a superior technical proposal is not selected, there must be rationale for its non-selection.

3.9.3 The SSA shall document in the SSDD the supporting rationale for the award decision and shall include the rationale for any business judgments and tradeoffs made or relied on by the SSA, including benefits to the Government associated with additional costs. The documentation need not quantify the dollar value of the tradeoffs that led to the decision. However, the SSDD should contain a detailed narrative explanation of all facts and supporting rationale relevant to the source selection decision. All tradeoffs shall have justifications clearly stating the benefits or advantages the Government anticipates, the qualitative or quantitative value of those benefits or advantages to the Government (depending on the type of source selection process used), and why it is in the Government’s best interests to expend additional funds to obtain those benefits or advantages.

Where the SSA determines the non-cost benefits offered by a higher priced, technically superior proposal are not worth the price premium, an explicit justification must be documented.

3.10 Source Selection Decision Document

3.10.1 An SSDD shall be prepared for all source selections. The SSDD shall reflect the SSA's independent, integrated, comparative assessment and decision; shall include the rationale for any business judgments and tradeoffs made or relied on by the SSA (e.g., including benefits associated with additional costs); shall state why the benefit is in the Government’s best interest; and shall be included in the contract file. The SSDD shall be the single summary document supporting selection of the best value proposal consistent with the stated evaluation criteria. The SSDD shall clearly explain the decision and document the reasoning used by the SSA to reach the decision consistent with FAR

15.308. The SSA shall engage the PCO and Legal Counsel in review of the SSDD to ensure that the SSDD clearly captures the judgment of the SSA in determining which proposal represents the best value to the Government consistent with the RFP.

3.10.2 The SSDD is fully releasable to the Government Accountability Office (GAO) and others authorized to receive proprietary and source selection information in accordance with a GAO protective order issued by the GAO during a protest. A redacted version of the SSDD which removes all proprietary and source selection material can be provided at the debriefing to anyone not authorized to receive the proprietary/protected material (e.g., an unsuccessful offeror). The need to redact such information is not a sufficient reason to refrain from preparing a properly written SSDD. The release of information and all redacted documents should be coordinated with Legal Counsel.

3.11 Debriefings

The PCO shall ensure offerors are debriefed, if requested, in accordance with FAR 15.505 and FAR 15.506, as applicable. The PCO shall document the debriefing(s) provided to offeror(s). Whenever practicable, debriefings should be conducted in person. The PM and/or RO and Legal Counsel should participate in debriefings to offerors. At the request of the PCO, other members of the SST shall attend. The PCO is encouraged to use the debriefing guide provided in Appendix A.

3.12 Integrating Proposal into the Contract

The contracting officer shall incorporate beneficial aspects of the awardee's proposal into the contract, particularly those above threshold (minimum) attributes for which the offeror was selected under VATEP.

4 Documentation Requirements

4.1 Minimum Requirements

At a minimum, the following documents must be maintained in the permanent contract file:

4.1.1 The SSP, written in accordance with paragraph 2.2, and any revisions thereto.

4.1.2 Nondisclosure and conflict of interest statements.

4.1.3 The draft RFP (paragraph 2.1.2.3), along with all comments received and Government responses thereto, if a draft RFP is issued.

4.1.4 The RFP, developed in accordance with paragraph 2.3, any amendments thereto, and FPR request.

4.1.5 Past performance information (e.g., questionnaires, interviews, CPARS reports) (paragraph 3.1.3).

4.1.6 Offeror proposals, including all revisions, annotated with the date of receipt.

4.1.7 Competitive range decision documentation (paragraph 3.4).

4.1.8 ENs, EN disposition, and Government evaluation thereof (paragraphs 3.3.2, 3.5.2, and 3.5.4).

4.1.9 SSEB initial and final Report (paragraphs 3.2.1 and 3.7).

4.1.10 SSAC report (comparative analysis and award recommendation(s) provided to the SSA, if an SSAC was utilized. See paragraph 3.8).

4.1.11 SSDD (paragraph 3.10).

4.1.12 Debriefing documents. (paragraph 3.11 and Appendix A)

4.1.13 Award documentation (e.g., determination to award without discussions, responsibility determination, SSA concurrence to release FPR request).

4.1.14 All correspondence with offerors that occurred during source selection.

4.2 Electronic Source Selection

In those instances when an electronic system for source selection documentation is used, the SST needs to consider how documentation will be handled prior to the start of the source selection and include this process in the SSP. For example, some electronic systems do not permit any documentation, once finalized by an evaluator, to be deleted from the system, even if the evaluator realizes later that he/she changes his/her opinion, or if a higher level evaluator, SSEB Chairperson, SSAC or SSA ultimately overrules the evaluator's opinion. In such instances, a process should be created for documenting the basis for these changes made to an evaluator's finalized document and included in the SSP.

5 Definitions

Affordability Caps are the approved cost constraints for major systems acquisitions determined by the resources a DoD component can allocate, which provide a threshold for procurement and sustainment costs that cannot be exceeded. For other procurements, this is the approved funding allocated for a given acquisition.

Best Value means the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement. See FAR 2.101.

Clarifications are limited exchanges between the Government and offerors that may occur when award without discussion is contemplated. See FAR 15.306(a)(1).

Communications are exchanges, between the Government and offerors, after receipt of proposals, leading to establishment of the competitive range. See FAR 15.306(b).

Competitive Range - See FAR 15.306(c).

Deficiency is 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. See FAR 15.001.

Discussions are exchanges (i.e., negotiations) in a competitive environment that are undertaken with the intent of allowing the offeror to revise its proposal. Discussions take place after establishment of the competitive range. See FAR 15.306(d).

Evaluation Notice (EN) is the PCO's written notification to the offeror for purposes of clarifications, communications, or discussions.

Excesses are elements of the proposal that have exceeded mandatory minimums (in ways that are not integral to the design) whose removal and corresponding price decrease may make an offeror's proposal more competitive. See FAR 15.306(d)(4).

Lowest Price Technically Acceptable (LPTA) is a process used in competitive negotiated contracting where the best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. See FAR 15.101-2.

Objective (or objective (maximum) as used in this document) is the value of an attribute that is applicable when a higher level of performance delivers significant increased operational effect, or decreased operational risk, if it can be delivered below the affordability cap. The objective value is the desired operational goal that is achievable but may be at a higher risk in cost, schedule, and technology.

Performance Confidence Assessment is an evaluation of the likelihood (or Government's confidence) that the offeror will successfully perform the solicitation's requirements; the evaluation is based upon past performance information.

Recency, as it pertains to past performance information, is a measure of the time that has elapsed since the past performance reference occurred. Recency is generally expressed as a time period during which past performance references are considered relevant.

Relevancy, as it pertains to past performance information, is a measure of the extent of similarity between the service/support effort, complexity, dollar value, contract type, and subcontract/teaming or other comparable attributes of past performance examples and the solicitation requirements; and a measure of the likelihood that the past performance is an indicator of future performance.

Requirements Documents are all aspects of the RFP that convey the needs of the Government to offerors, including the SOO, SOW, PWS, technical requirement documents, and system requirement documents.

Requirements Owner is the entity (for example, a program management office or other organizational entity) responsible for providing requirements documents within the RFP that communicate those requirements to offerors.

Risk, as it pertains to source selection, is the potential for unsuccessful contract performance. The consideration of risk assesses the degree to which an offeror's proposed approach to achieving the technical factor or subfactor may involve risk of disruption of schedule, increased cost or degradation of performance, the need for increased Government oversight, and the likelihood of unsuccessful contract performance. (For firm-fixed-price contracts, the reference to increased cost may be removed from the risk definition.)

Significant Weakness in the proposal is a flaw that appreciably increases the risk of unsuccessful contract performance. See FAR 15.001.

Source Selection Advisory Council (SSAC) is a group of individuals, appointed as needed by the SSA, that provides counsel during the source selection process, prepares the comparative analysis of the SSEB's final evaluation results, and makes an award recommendation to the SSA.

Source Selection Authority (SSA) is the official designated to make the source selection decision.

Source Selection Decision Document (SSDD) is the document that reflects the SSA's independent, integrated, comparative assessment and decision.

Source Selection Evaluation Board (SSEB) is a group of individuals representing the various functional disciplines relevant to the acquisition that is responsible for evaluating proposals against the solicitation criteria.

Source Selection Information is information prepared for use by an agency for the purpose of evaluating a bid or proposal to enter into an agency procurement contract, if that information has

not been previously made available to the public or disclosed publicly. See FAR 2.101 for a listing of source selection information.

Source Selection Plan (SSP) is a plan that describes how the source selection will be organized, how proposals will be evaluated and analyzed, and how source(s) will be selected.

Source Selection Team (SST) is a team that is tailored to the specific acquisition, tasked with carrying out a source selection. Composition of the team generally consists of the SSA, PCO (if different from the SSA), SSAC, SSEB, Advisors, Cost or Price Experts, Legal Counsel, Small Business Professionals/Specialists, and other subject-matter experts.

Strength is an aspect of an offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance.

Subjective Tradeoff is a source selection process used when it may be in the best interest of the Government to consider award to other than the lowest priced offeror or other than the highest technically rated offeror but it is not possible to place a quantifiable value on proposed performance or capabilities above threshold (minimum) requirements (see paragraph 1.3.1.3).

Threshold (or Threshold (minimum) as used in this document) is the minimum acceptable value of an attribute that is considered achievable within the available cost, schedule, and technology at low-to-moderate risk. Performance below the threshold value is not operationally effective or suitable or may not provide an improvement over current capabilities. (See also "mandatory minimums" in FAR 15.306(d)(4).)

Value Adjusted Total Evaluated Price (VATEP) is a tradeoff source selection process where the offeror's total proposed price may be adjusted based on the "value" placed on better performance as identified in the solicitation. The SSA must then determine if a higher rated technical offer is "worth" the additional cost to the Government.

Weakness means a flaw in the proposal that increases the risk of unsuccessful contract performance. See FAR 15.001.

Debriefing Guide

Appendix A

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A.1 Purpose of Debriefing

The PCO should chair any debriefing session upon receipt of an offeror's timely, written request (see FAR 15.503, 15.505, and 15.506). The debriefing serves to assure offerors that the Government properly evaluated their proposals and made the award determination in accordance with the RFP. Since each offeror puts considerable resources into preparing and submitting a proposal, fairness dictates that the PCO promptly debrief offerors and explain why a proposal was excluded from the competitive range or was successful or unsuccessful. Timely and thorough debriefings increase competition, encourage offerors to continue to invest resources in the Government marketplace, and enhance the Government's relationship and credibility with Industry. The debriefing also provides feedback to offerors to assist in improving future proposal submissions. An effective debriefing often deters a protest by demonstrating that the Government conducted a thorough, fair evaluation and made a sound decision according to the established source selection methodology. Debriefings may be done orally, in writing, or by any other method acceptable by the contracting officer.

A.2 Requirements

See FAR 15.505, Preaward debriefing of offerors, and FAR 15.506, Postaward debriefing of offerors, for requirements relative to debriefings. Also reference FAR 3.104-4, Disclosure, protection, and marking of contractor bid or proposal information and source selection information.

A.3 Notification of Debriefing

If the debriefing is to be performed face to face, the PCO should inform the offeror of the scheduled debriefing date by electronic means with immediate acknowledgment requested. The PCO should follow up with written notification to the offeror. If the offeror requests a later date, the PCO should require the offeror to acknowledge in writing that it was offered an earlier date, but requested the later date instead.

A.4 Debriefing Location

The PCO is responsible for selecting the location of the debriefing. The location should provide a professional and non-distracting environment. Debriefings are normally held at Government facilities, however, they may be held at any facility that is mutually acceptable to all parties involved. Although face-to-face debriefings are frequently used, the PCO may also conduct a debriefing by telephone, in writing, or by 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.

A.5 Debriefing Attendees

A.5.1 Government Personnel. The PCO should 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 PCO's Legal Counsel shall participate in preparation for the debriefing and also should attend the debriefing. Legal Counsel shall attend the debriefing when the offeror's Legal Counsel will attend the debriefing. In the event there are indicators that a protest is likely, inform Legal Counsel. However, the PCO should not deny a debriefing because a protest is threatened or has already been filed.

A.5.2 Debriefed Offeror Personnel. The PCO should ask the offeror to identify in advance all of the firm's individuals by name and position who will attend the debriefing. It is recommended not to restrict the number of personnel the debriefed offeror may bring unless there are space limitations. It is desirable for a senior official, who was not part of the offeror's proposal team, to attend the debriefing as an objective participant.

A.6 Preparing for the Debriefing

The PCO should ensure that documents relevant to the source selection have been thoroughly reviewed by the debriefing team and are readily available to the Government during the debrief. A best practice is to have those documents available, during the debriefing, in a separate Government caucus room.

The PCO should conduct a "dry run" prior to the actual debrief. Role-playing is a vital part of the dry run. Teams are encouraged to simulate interactions with disappointed or disgruntled offerors and practice addressing questions on contentious issues. The PCO should develop a set of anticipated questions that offerors might ask at the debriefing (See paragraph A.9 for sample questions). In anticipating possible questions, it is often useful to review questions asked during the discussion phase (if held) of the competition. Also, the PCO should ask each offeror scheduled for a debriefing to submit written questions in advance. The PCO should coordinate responses with Legal Counsel.

A poorly prepared debriefing is the surest way to lose the confidence of the offeror and increase the prospects of a protest. Because debriefings are time sensitive, preparation must begin before proposal evaluation is complete. The PCO should brief all Government personnel that will attend the debriefing on their roles, level of participation and expected demeanor during the debriefing.

A.7 Outline for the Debriefing

The following is a general outline for a typical debriefing. See FAR 15.505 (preaward) and FAR 15.506 (postaward) for specific requirements.

1. Introduction
2. Purpose of the Debriefing

3. Ground Rules and Agenda
4. Source Selection Process
5. Evaluation Factors/Subfactors
6. Evaluation Results for the Offeror's Proposal
7. Rationale for Eliminating Offeror from Competition (preaward debriefing only)/ Rationale for Award Decision Based on the SSA's Decision Document (postaward debriefing only)
8. Responses to Relevant Questions
9. The PCO's statement that the debrief has concluded.

A.8 Conducting the Debriefing

A.8.1 Roles. The PCO should chair any debriefing session held. The PCO may defer to others for specific portions of the debriefing but will control all exchanges. There are many different approaches that the PCO can take in leading the debriefing. One of the common approaches is for the PCO to conduct the entire debriefing presentation and defer to his/her team to answer questions as needed. Another approach is for the PCO to start the debriefing and then turn over portions of the presentation to experts in those areas, e.g. Technical Team Leader presents the technical evaluation portion of the presentation.

A.8.2 Questions. The PCO should advise offerors at the start that the Government believes the presentation will address any questions they may have. Additional questions may be answered during the debrief. The PCO should be open to discussion but not drawn into a debate. A Government caucus may be needed to address some questions. The Government should request that the questions be written for the caucus as needed.

The debriefing team should make every effort to answer all questions from the offeror on the same calendar day as the debriefing.

A.8.3 Information Not Appropriate for Disclosure.

A.8.3.1 The debriefing team shall not disclose *documentation that was not presented to/considered by the SSA*. The crux of any postaward debriefing is the SSA award decision and whether that decision is well supported and resulted from a source selection conducted in a thorough, fair, and sound manner consistent with the requirements and source selection methodology established in the RFP. The key of any preaward debrief is the offeror's elimination from the competitive range.

A.8.3.2 The debriefing team shall not discuss validity of requirements or prohibited information (see FAR 15.506(e)).

A.8.3.3 The debriefing team shall not provide names of individuals providing reference information about an offeror's past performance. In addition, the names of individuals on the SST, not participating in the debriefing, should not be disclosed. However, the name of the SSA may be revealed in postaward debriefings.

A.8.3.4 The debriefing team must not disclose any unit prices which are not freely releasable under the Freedom of Information Act.

A.8.4 Offeror Feedback. The PCO should allow the offeror an opportunity to provide feedback regarding the quality of the solicitation document, e.g., proposal instructions, the appropriateness of discussions, and the source selection process itself.

A.8.5 Debriefing Documentation. The debriefing slides, the offeror's request for debriefing (if any), previously submitted questions, any handouts, a list of written questions/answers, and any other relevant documents, must be included in the contract file.

A.9 Sample Offeror Questions That May Be Used for "Dry Run"

As referenced in paragraph A.6, teams are encouraged to have a dry run prior to the actual debrief. The following is a list of sample questions the team should be prepared to address during the debriefing. Answers should be tailored to the unique circumstances of each acquisition and should, where possible, be tied directly to language within the RFP (particularly Sections L and M). The "notes" below are provided as points for consideration and are not intended to be responses.

Topic Area 1: The Government's evaluation of the significant weaknesses or deficiencies in the proposal.

a) Please explain the basis for the strengths, weaknesses, or deficiencies in our proposal for each evaluation factor and subfactor.

   NOTE: Typically this is done as part of the debriefing presentation; however, the debriefing team may not disclose detailed information regarding the strengths, weaknesses and/or deficiencies in other proposals. Such a disclosure could amount to a point-by-point comparison of proposals, prohibited per FAR 15.506(e), and/or could involve disclosure of protected/privileged information.

b) Did you discuss all weaknesses, significant weaknesses, and deficiencies?

   NOTE: If discussions were held, all significant weaknesses and deficiencies, at a minimum, should have been addressed and documented. The FAR does not require discussion of all weaknesses, although it is considered a best practice.

c) Were there any solicitation requirements that we failed to address? If so, what were they?

   NOTE: If discussions were held, these matters should have been addressed and documented.

d) How is the evaluation consistent with Sections L and M of the solicitation?

e) Were any deficiencies identified by the Government during discussions not adequately addressed in our response to your ENs? If so, how did the evaluation of the deficiencies change during the evaluation of our FPR?

f) Were there any specific considerations that precluded us from being selected as the awardee? If so, what were those considerations?

   NOTE: If discussions were held, these matters should have been addressed.

g) What, if anything, did the Government require in Sections L and M of the solicitation that was missing from our proposal?

h) Please explain how past performance was evaluated. What was our rating? How was that rating applied to the source selection process?

i) Was experience evaluated? If so, what was our rating and how was that information used in the source selection process?

j) Please explain the procedure for the evaluation of risk. What risks were identified in our proposal? How did they impact the rating of our proposal?

Topic Area 2: The overall evaluated cost or price (including unit prices) and technical rating, if applicable, of the successful offeror and the debriefed offeror, and past performance information on the debriefed offeror; and the overall ranking of all offerors, when any ranking was developed by the agency during the source selection. FAR 15.506(e): the debriefing shall not include point-by-point comparisons of the debriefed offeror's proposal with those of other offerors. Moreover, the debriefing shall not reveal any information prohibited from disclosure by FAR 24.202 or exempt from release under the Freedom of Information Act.

a) Please provide the evaluated cost or price and technical, management, and past performance ratings for our proposal and all other offerors.

   NOTE: Information on the overall evaluated cost or price and technical ratings is not provided for all offerors but only for the successful offeror and the offeror being debriefed.

b) Please provide the overall ranking for all offerors.

   NOTE: Generally an overall ranking is not developed. However, if an overall ranking was developed during the source selection process, this shall be provided during the debriefing. The name of every offeror shall be redacted except for the offeror being debriefed and the successful offeror(s).

c) In what areas was our proposal considered "overpriced"?

d) Were we compliant with all technical requirements?

e) For source selections using VATEP, how was the adjustment percentage/dollar value determined? How was it applied? If only a portion of the adjustment was applied (because an incremental approach was proposed), how was the amount to be applied determined?

NOTE: If discussions were held, these matters should have been addressed.

f) In the risk portion of the technical/management area, what criteria did the Government use to determine the final evaluation ratings? How was this risk reflected in the other areas of the evaluation?

g) Was there anything not required by the solicitation that we could have offered that might have made us more competitive for the award?

NOTE: An answer to this question would be conjecture, which is not appropriate.

h) Were our responses to ENs adequate? If not, how could we have improved our responses? How were our responses to ENs on past performance evaluated?

Topic Area 3: A summary of the rationale for award.

a) Please explain in detail the methodology used to determine which proposal offered the greatest overall value to the Government, especially with respect to any comparisons/tradeoffs made between technical factors and costs proposed.

b) Please provide a copy of the SSDD.

NOTE: If the SSDD is to be released to offerors, it should be redacted and appropriate coordination with Legal Counsel should be obtained.

Topic Area 4: Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed.

NOTE: Answers to questions relative to source selection procedures should reference the solicitation language.

a) Please describe the evaluation process used for this procurement.

b) How important was cost in the source selection decision relative to past performance and technical considerations?

c) If the costs were “normalized” please explain how the normalization was conducted.

d) Was a cost realism analysis used? If so, please describe the process used.

e) What was the basis for not selecting us?

f) Did the Government make a cost/technical tradeoff?

g) In order of importance, which evaluation criteria were the most critical to the determination of our overall rating?

h) What were the most critical evaluation criteria in the evaluation of proposals?

i) If subjective tradeoffs were made in VATEP Step 3, what was the relative importance of those subjective tradeoffs and what factors/subfactors were considered in that subjective tradeoff since VATEP can include a combination of objective criteria ("acceptable/unacceptable" or go/no go gates), subjectively evaluated criteria, and valued criteria subject to price adjustment?

j) Please identify any information not contained in our proposal that was used by the evaluators in assessing our offer.

Topic Area 5: Other potential questions. **Do not respond substantively to these questions.**

Recommended Response: This is not an appropriate topic for a debriefing, and we will not be addressing it.

a) Who was on the Source Selection Advisory Committee?

NOTE: In order to prevent offerors from contacting individuals after the debriefing and to avoid creating tension in ongoing working relationships on existing Government contracts, do not disclose the names of individual evaluators or members of the SST (e.g., the SSEB, SSAC). However, those people in attendance at the debriefing should be introduced.

b) Did the SSA and the SSAC (if applicable) fully accept the recommendations of their respective staffs (SSAC or SSEB)? If not, why not? Did either reach any independent determinations? If so, what independent determinations were made?

NOTE: The debriefing team should avoid any discussions of internal SSEB/SSAC deliberations. Ultimately, the only decision that counts is that of the SSA, which by definition, was made independently.

c) Were there any common areas of weaknesses or deficiencies in the proposals in the competitive range?

NOTE: The debriefing team shall avoid point-by-point comparisons of proposals. In addition, providing detailed information regarding the strengths, weaknesses or deficiencies of other proposals may disclose protected/privileged information (see FAR 15.506(e)).

Topic Area 6: Cautionary Areas That an Unsuccessful Offeror May Raise During a Debriefing.

a) What management structure did the agency consider as optimal for performing the contract? How did our proposal rate against this standard?

NOTE: The Government does not have any preconceived ideas regarding how to meet the RFP requirements.

b) Please identify any and all evaluation factors, subfactors, and elements not identified in the solicitation that were used to evaluate the proposals.

NOTE: There should *never* be any evaluation factors, subfactors and/or elements not identified in the solicitation that were used to evaluate proposals.

Tradeoff
Source Selection Process: Subjective Tradeoff and Value Adjusted Total Evaluated Price (VATEP) Tradeoff

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Appendix B

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Preface

In a tradeoff source selection, the relative importance of cost or price may vary in relation to other evaluation factors as communicated by the Government to potential offerors in the solicitation per FAR 15.304(d) and (e). However, offerors still do not know the boundaries of how much more the Government may be willing to pay if an offeror exceeds a mandatory minimum. The methodologies described in this appendix are the Subjective Tradeoff and Value Adjusted Total Evaluated Price (VATEP) Tradeoff techniques. These tradeoff processes are distinguished from Low Price Technically Acceptable source selections by permitting the SSA to consider award to other than the lowest evaluated priced offeror or other than the highest technically rated offer. Tradeoffs are improved *by identifying in advance and stating in the solicitation* the Government "value" placed on above-threshold performance or capabilities.

B.1 Subjective Tradeoff

The subjective tradeoff process identifies in the RFP all evaluation factors and significant subfactors that will affect contract award by clearly stating their *relative* importance in the solicitation (FAR 15.204-5(c)). The general approach for evaluating past performance information shall be described where the solicitation states, at a minimum, whether all evaluation factors other than cost or price, when combined, are significantly more important than cost or price; approximately equal in importance to cost or price; or significantly less important than cost or price.

B.2 Value Adjusted Total Evaluated Price Tradeoff

The VATEP technique monetizes different levels of performance that may correspond to the traditional requirements process of defining both threshold (minimum) and objective (maximum) performance and capabilities. It identifies in the RFP the percentage price increase (or dollar amount) the Government is willing to pay for measureable levels of performance between threshold (minimum) and objective (maximum) criteria (e.g., Probability of Hit, specific operational ranges, etc.). This amount is based on the value to the Government for above-minimum performance or capabilities. Value and cost are completely separate concepts that VATEP links in the RFP to inform industry decisions on what to offer to gain a competitive advantage. As described herein, VATEP is merely a structured technique for *objectivizing* how some (or all) of the requirements would be treated in the tradeoff process and then communicating that to offerors via the RFP.

VATEP may be appropriate when the RO wishes to optimally balance price and performance/capability above threshold (minimum) requirements to maximize the achievement of program objectives. One of the benefits of this process is that offerors may be more likely to propose innovative solutions which provide higher performance/capability if it is clear to Industry what value the end user places on exceeding the threshold (minimum) performance/capability and how that will influence the evaluated cost/price.

B.3 Understanding and Capturing the Requirements

Defining the value of higher performance/capability is the RO's responsibility. During this part of the process, it is very important for the RO to define, and the SST to understand, which above threshold (minimum) capability requirements are truly of substantial benefit and how they are valued relative to each other and in absolute terms. Clearly understanding the relative importance and prioritization of requirements will determine if above-threshold performance/capability for a particular requirement warrants a potentially higher price during proposal evaluation. This decision should consider a number of matters, to include operational benefits, risk, and affordability.

Concurrently, the impact on affordability must be considered. The RO, on behalf of the user/warfighter, and in conjunction with the PM, PCO and SST, should determine the affordability limits on pursuing any above-threshold requirements prior to the source selection evaluation factors being finalized in the solicitation. The number of above-threshold requirements pursued should be limited to ensure the Department only includes in the source selection criteria the capabilities on which it places high value. An affordability cap may be established by the RO above which an offeror may not be eligible for award. This information should be provided to prospective offerors as early as possible in the solicitation process.

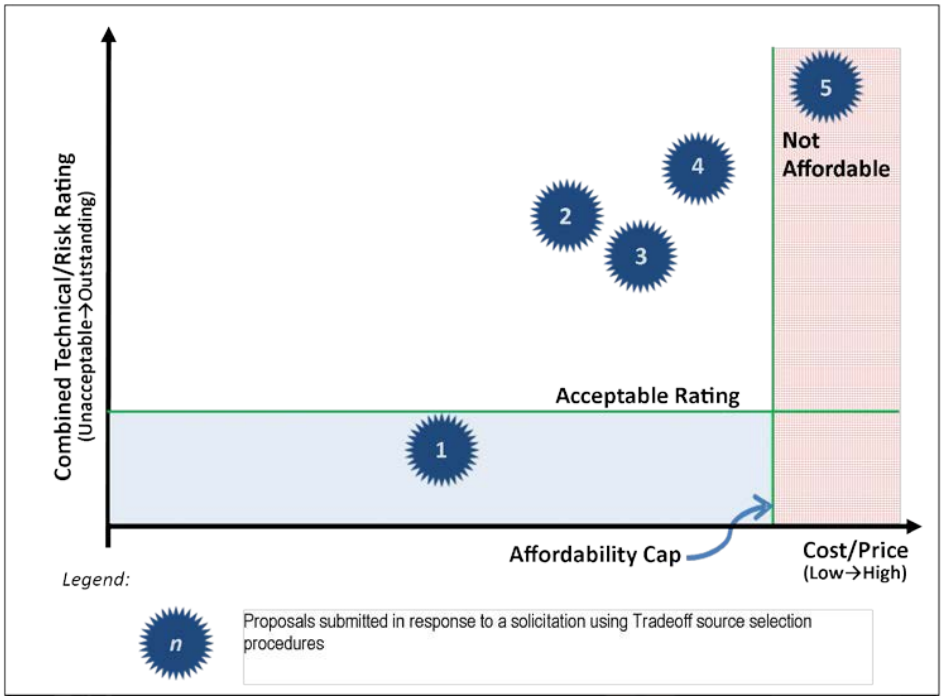

Figure B-1: Subjective Tradeoff Scenario

Figure B-1 illustrates how several proposal evaluations could plot on a best value continuum where the RFP evaluation criteria include best value tradeoffs of cost/price for superior technical performance. The green horizontal line shows the threshold (minimum) requirement (i.e., meets mandatory minimums) with an "acceptable" combined technical/risk rating; however, any non-cost/price factor could be plotted. The government communicates the value it places on above

threshold (minimum) performance or capabilities by establishment of the relative order of importance of evaluation factors as well as the structure of evaluation factors and subfactors (e.g., designation of how strengths can be earned to obtain higher ratings).

In a subjective tradeoff source selection process, proposal one is rated as having the lowest price but has a combined technical/risk rating below "acceptable." Proposal two has the second lowest price and has a combined technical/risk rating above "acceptable." Proposal three plots at a higher price with a lower combined technical/risk rating than proposal two. Proposal four has the highest combined technical/risk rating but the highest price of those proposals below the affordability cap. Proposal five has the best technical/risk rating but is also above the affordability cap and therefore will not be considered for award, if the source selection criteria eliminate such proposals. In assessing the evaluation of proposals and the analysis of each proposal's technical rating and proposed evaluated price or cost, the SSA must consider and weigh the cost and risk of accepting one proposal over another. This analysis must be meticulously and fully documented in the Source Selection Decision Document. In this case, the SSA must make and document a subjective judgment about the chosen best value offeror.

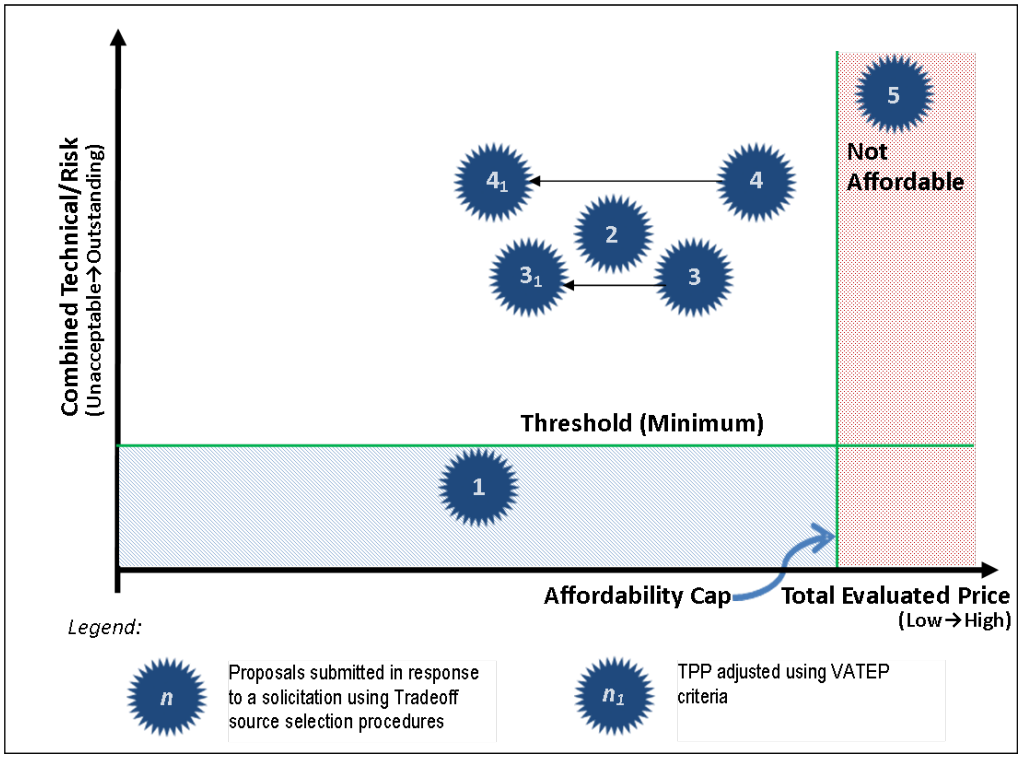

Figure B-2: VATEP Tradeoff Scenario

In a tradeoff source selection process using objective criteria (e.g., VATEP), it is imperative that the solicitation identifies explicitly how the objective criteria will be evaluated relative to all other criteria. Using the same scenario as Figure B-1, Figure B-2 presents adjustments made using objective criteria to adjust the Total Proposed Price (TPP) to arrive at the Total Evaluated Price (TEP). In this scenario, the solicitation explicitly states that the competitive range will be limited to offers that are below the affordability cap and rated acceptable (or better) for technical/risk criteria and other non-cost/price factors. Further, the solicitation provides that a

valued requirement (technical measure) of 10% - 50% above threshold (minimum) requirements will be the discriminator between offers in the competitive range and that up to a 40% adjustment will be made to the TPP based on the offeror's evaluated ability to meet above threshold (minimum) criteria. Thus, Proposals One and Five will not be included in the competitive range because proposal one has a combined technical/risk rating below "acceptable," and proposal five is above the affordability cap. Proposal Two has the second lowest price and has a combined technical/risk rating above "acceptable" but did not submit an offer above threshold (minimum) for the valued requirement, and thus, no credit was received for evaluation purposes. When an adjustment is made to Proposal Three (3_1) for proposed performance above threshold (minimum), the TEP results in a price lower than Proposal Two. Similarly, when an adjustment is made to Proposal Four (4_1) for even greater capability above threshold, the TEP for Proposal Four is lower than the price for all other proposals in the competitive range. Proposal Four is the successful offeror with contract award at the offeror's TPP. While this analysis must also be fully documented in the Source Selection Decision Document, the SSA is not relying on subjective judgment about the chosen best value offeror.

B.3.1 Effectively Conveying the Value of Requirements in the Request for Proposals

Threshold (minimum) performance/capability requirements are identified in the specification, statement of work, or performance work statement. Offerors must propose to meet all threshold (minimum) requirements of the RFP to be eligible for award. For each requirement where an offeror can earn evaluation credit for performance between the threshold (minimum) and objective (maximum) levels or capabilities, the solicitation must identify the value the Government places on the performance level or capability above the threshold (minimum) requirement.

The RFP must advise offerors that the specification, Statement of Work, or performance work statement in the ultimately awarded contract document will reflect all above-minimum performance levels or capabilities for which evaluation credit was given in the source selection process. For each requirement where an offeror can earn evaluation credit for performance between the threshold (minimum) and objective (maximum) levels or capabilities, the solicitation should identify, as much as possible, the price percentage difference (or dollar value) the Government places on the performance level or capability above the threshold (minimum) requirement. The RFP should also clearly state that requirements where a monetized or defined value cannot be assigned will be evaluated based on the relative importance to other factors.

B.4 Evaluating Proposals

B.4.1 Subjective Tradeoff Procedures

B.4.1.1 Step 1: Establish the Competitive Range.

The Government evaluates each proposal in accordance with paragraphs 3.1 through 3.2 of this procedure and establishes a competitive range, unless award without discussions is contemplated.

B.4.1.2 Step 2: Evaluate proposals within the competitive range. If a technically acceptable above-minimum performance level or capability is proposed, the offeror's proposal will be rated accordingly, complying with the methodology specified in the solicitation which establishes the relative importance the Government places on identified above-minimum performance or criteria.

B.4.1.3 Step 3: Award the Contract. Award to the offeror whose proposal represents the best value to the Government based on the evaluation criteria set forth in the solicitation. See paragraph 3.9.

B.4.2 VATEP Procedures. The steps for the VATEP methodology described below are diagramed in Figure B-3.

B.4.2.1 Step 1: Determine Acceptability of a Proposal. The Government evaluates each proposal in accordance with paragraphs 3.1 through 3.2 of this procedure and establishes a competitive range, unless award without discussions is contemplated. Additional evaluation credit is not relevant during Step 1.

B.4.2.2 Step 2: Determine if Above-Threshold (Minimum) Criteria Are Met and Adjust the TPP. Proposals are then evaluated to determine if the specified above-threshold (minimum) criteria ("valued requirements") are met, from a technical standpoint, and are below the affordability cap. If a technically acceptable above-minimum performance level or capability is proposed for a valued requirement, the offeror's TPP will be adjusted, for evaluation purposes only, in accordance with the methodology specified in the solicitation to quantify the importance the Government places on identified above-minimum performance or criteria. [**NOTE:** The Most Probable Cost is used for proposals where a cost reimbursement contract is contemplated.]

Example: The solicitation states that an offeror's price will be reduced by up to $20 for proposing to achieve a single Government specified valued requirement, or above threshold (minimum). During Step 2 of the source selection process, the SST adjusts each proposal TPP to derive the TEP by subtracting up to $20 for the valued requirement the proposal is deemed to satisfy. The adjustment is for evaluation purposes only and does not affect the offeror's proposed pricing. If the offeror is successful, the contract will be awarded at the prices proposed. If an offeror does not propose to meet any of the valued requirements, the TPP for that offer is unchanged. In this example, three proposals are received as follows:

- Offeror A Proposal: TPP=$1,000; at least an "acceptable" rating for all minimum requirements; deemed to satisfy the single valued requirement.

- Offeror B Proposal: TPP=$990; at least an "acceptable" rating for all minimum requirements; proposes only the minimum performance requirements.

- Offeror C Proposal: TPP=$950; “unacceptable" for one minimum RFP requirement and not among the most highly rated offerors; proposes to achieve the single valued requirement. *Offeror C is eliminated in Step 1*.

At the conclusion of Step 1, Offeror A has a higher TPP than Offeror B. However, in Step 2, the TPP for Offeror A is adjusted by subtracting $20 for proposing a compliant, technically acceptable solution to the single valued above-minimum performance criteria. Therefore, at the end of Step 2, Offeror A has a TEP of $980 and Offeror B has a TEP of $990. [**NOTE:** if the offeror proposes performance or a capability in excess of threshold (minimum) but less than objective (maximum) valued requirement, then only a portion of the specified amount would be subtracted from the offeror’s TPP. This should be explained in the RFP.]

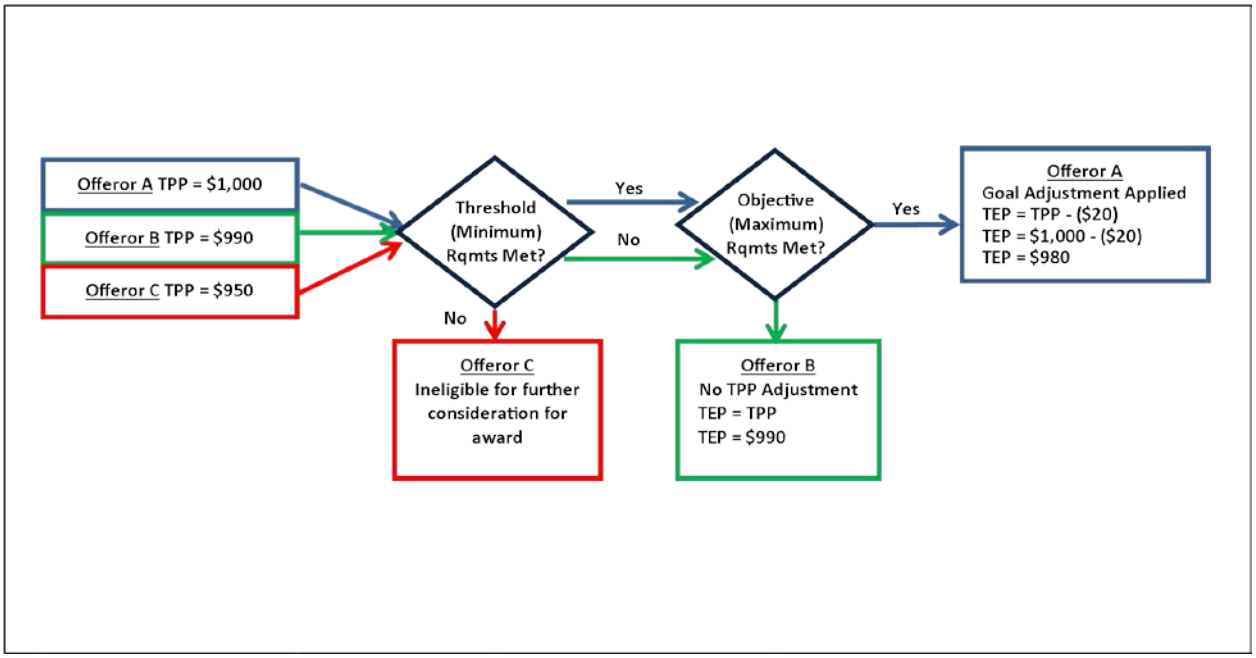

Figure B-3: VATEP Adjustment Example

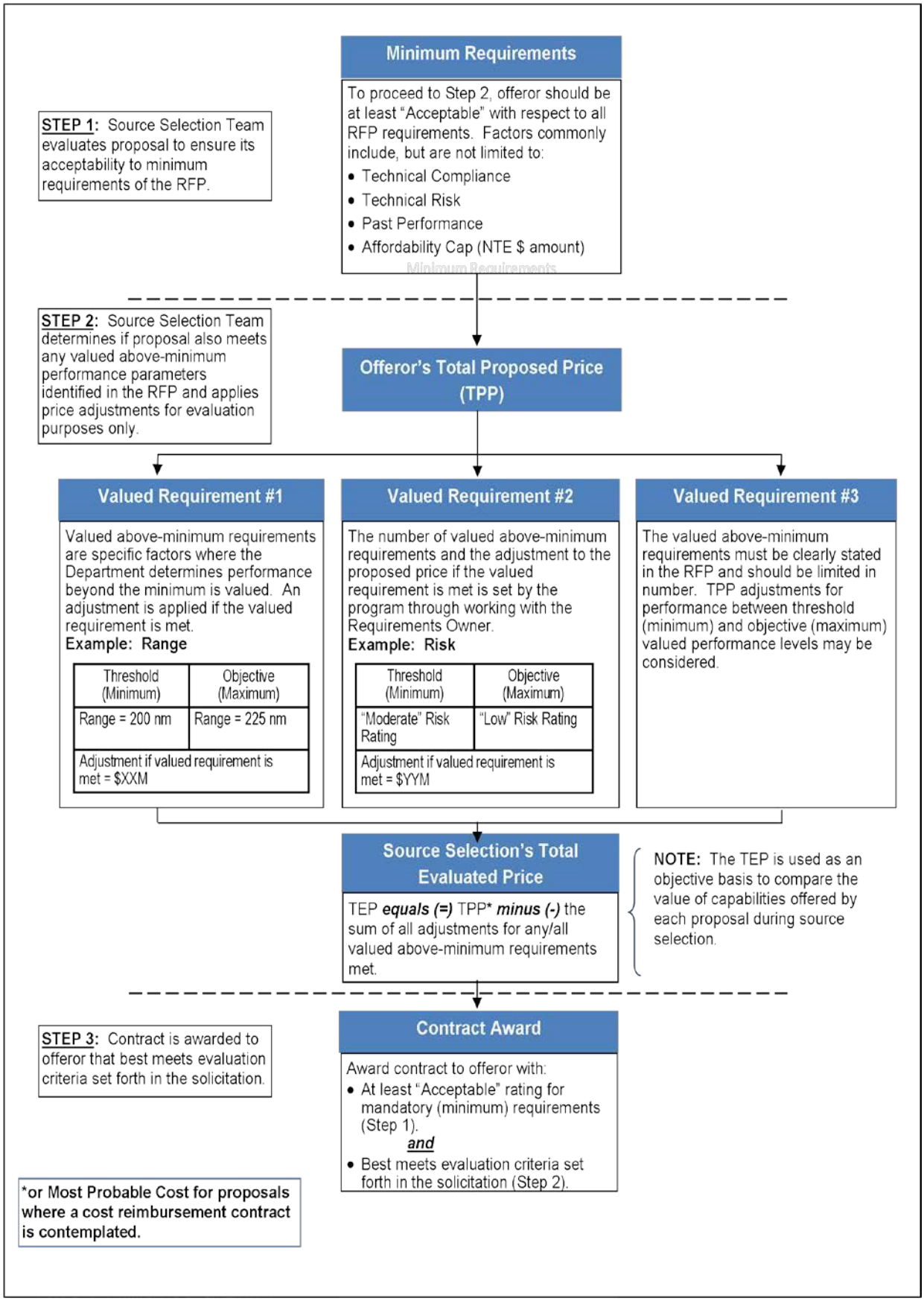

Figure B-4: Value Adjusted Total Evaluated Price Steps

B.4.2.3 Step 3: Award Contract. Award to the offeror whose proposal represents the best value to the Government based on the evaluation criteria set forth in the solicitation. See paragraph 3.9.

Lowest Price Technically Acceptable Source Selection Process

Appendix C

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Preface

When using the LPTA source selection process, Sections 1 through 5 of this document applies, with the following exceptions, which do not apply:

Para.	Description
3.1.2	Technical Rating Evaluation Processes
3.1.3	Past Performance Evaluation (if the PCO documents the file in accordance with FAR 15.304(c)(3)(iii))
3.1.4	Small Business Evaluation (unless a requirement for technical acceptability as described in C.4)
3.8	A comparative analysis of proposals shall not be conducted for LPTA (see FAR 15.101-2(b)(1)).

Requirements for evaluation factors/subfactors, the evaluation process, and the best value decision are established below.

C.1 Introduction

The LPTA process is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. LPTAs may be used in situations where the Government would not place any value on a product or service exceeding the Government's threshold technical or performance requirements and these requirements can be objectively defined in measurable terms. Such situations include acquisitions of commercial or non-complex services or supplies which are clearly and objectively defined. When LPTA is used, the solicitation and the Source Selection Plan must clearly describe the minimum requirements that will be used to determine the acceptability of the proposal. LPTA should not be used when the SSA will be required to make a judgment as to the desirability of one offeror's proposal versus a competing proposal. Well-defined standards of performance and quality of services must be available to support the use of LPTA. When standards of performance and quality are subjective, or the Government places value on higher quality or performance, another approach should be used. The LPTA process does not permit tradeoffs among price and non-price factors (see FAR 15.101-2).

C.2 Evaluation Factors and Subfactors

Evaluation factors and subfactors represent those specific characteristics that are tied to significant RFP requirements. They are the uniform baseline against which each offeror's proposal is evaluated allowing the Government to make a determination of acceptability. The evaluation factors and subfactors shall be set forth in the solicitation in enough depth to communicate what will be evaluated. The evaluation factors and subfactors shall be the primary determinant of the detailed information requested in the solicitation's instructions to offerors. If subfactors are used, they are to be evaluated separately. The SSEB will establish the factors and subfactors to be evaluated on an "acceptable" or "unacceptable" basis. These factors and subfactors will identify the minimum requirements that are key to successful contract performance. All LPTAs shall evaluate cost/price and the acceptability of the product or services.

C.2.1 Acceptability of product or service. The acceptability of product or service shall be addressed in every LPTA source selection through consideration of one or more non-price evaluation factors/subfactors. For LPTAs, this is done through the establishment of requirements to be evaluated on an "acceptable" or "unacceptable" basis. Proposals are evaluated for acceptability, but not ranked using the non-price factors/subfactors. In order to be considered awardable, there must be an "acceptable" rating in every non-price factor/subfactor. LPTA non-price factors/subfactors may include the following:

C.2.1.1 Technical. The term "technical," as used herein, refers to non-price factors other than past performance. More than one "technical" factor can be used and titled to match the specific evaluation criteria appropriate for the RFP. The purpose of the technical factor is to assess whether the offeror's proposal will satisfy the Government's minimum requirements. Some of the aspects affecting an offeror's ability to meet the solicitation requirements may include technical approach, key personnel and qualifications, facilities, and others. Once the minimum requirements are established, the team shall evaluate the offeror's proposal against these requirements to determine whether the proposal is acceptable or unacceptable, using the ratings and descriptions outlined in Table C-1.

Table C-1. Technical Acceptable/Unacceptable Rating Method

Adjectival Rating	Description
Acceptable	Proposal meets the requirements of the solicitation.
Unacceptable	Proposal does not meet the requirements of the solicitation.

C.2.1.2 Past Performance. The past performance evaluation is an assessment of the offeror's probability of meeting the minimum past performance solicitation requirements. This assessment is based on the offeror's record of relevant and recent past performance information that pertain to the products and/or services outlined in the solicitation requirements.

Past performance shall be used as an evaluation factor within the LPTA process, unless waived by the PCO in accordance with FAR 15.304(c)(3)(iii). It shall be evaluated in accordance with FAR 15.305 and DFARS 215.305. However, the comparative assessment in FAR 15.305(a)(2)(i) does not apply. Therefore, past performance will be rated on an "acceptable" or "unacceptable" basis using the ratings in Table C-2.

Past performance should be initially evaluated to determine whether the offeror's present/past performance is recent, and relevant or not relevant to the effort to be acquired. The criteria to establish what is recent and relevant shall be unique to each LPTA source selection. Therefore, the solicitation shall establish the criteria for recency and relevancy in relation to the specific requirement being procured. In establishing what is relevant for the acquisition, consideration should be given to what aspects of an offeror's contract performance history would give the most confidence that the offeror will satisfy the requirements of the contract that is

contemplated to be awarded as a result of the evaluation of proposals in the current procurement.

Second, the past performance evaluation should determine how well the offeror performed on the prior contracts. The past performance evaluation performed in support of a current source selection does not establish, create, or change the existing record and history of the offeror's past performance on past contracts; rather, the past performance evaluation process gathers information from customers on how well the offeror performed those past contracts.

NOTE: In the case of an offeror without a record of relevant past performance or for whom information on past performance is not available or so sparse that no meaningful past performance rating can be reasonably assigned, the offeror may not be evaluated favorably or unfavorably on past performance (see FAR 15.305 (a)(2)(iv)). Therefore, the offeror shall be determined to have unknown (or "neutral") past performance. In the context of acceptability/unacceptability, a neutral rating shall be considered "acceptable."

Table C-2. Past Performance Acceptable/Unacceptable Rating Method

Adjectival Rating	Description
Acceptable	Based on the offeror's performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort, or the offeror's performance record is unknown. (See note above)
Unacceptable	Based on the offeror's performance record, the Government does not have a reasonable expectation that the offeror will be able to successfully perform the required effort.

C.3 Sources of Past Performance Information for Evaluation

Sources are as follows:

- Past performance information may be provided by the offeror, as solicited.
- Past performance information may be obtained from questionnaires tailored to the circumstances of the acquisition.
- Past performance information may be obtained from established systems such as the Past Performance Information Retrieval System (PPIRS), Federal Awardee Performance and Integrity Information System (FAPIIS), Electronic Subcontract Reporting System (eSRS), or other databases; and may be obtained from other sources available to the Government, such as the Defense Contract Management Agency; and interviews with Program Managers, Contracting Officers, Fee Determining Officials.

The past performance evaluation team will review this past performance information and determine the quality and usefulness as it applies to performance confidence assessment. See FAR 15.101-2(b)(1) for treatment of past performance relative to small business.

C.4 Small Business Participation

In LPTAs, small business participation is not required to be part of the evaluation in accordance with DFARS 215.304(c)(i). However, in the event that it is an appropriate evaluation factor, it should be considered one of the "technical" factors/subfactors, and the Rating Method in Table C-1 shall be used (see FAR 15.101-2(b)(1)).

C.5 Price

The LPTA procedure is applied to known, firm requirements, usually readily available in the commercial marketplace where a fair and reasonable price determination is based on adequate price competition. Therefore, price analysis will normally be used to determine the reasonableness of total evaluated price to support the selection of the lowest priced, technically acceptable offeror. Although in exceptional cases when the determination of fair and reasonable price requires additional information, the PCO may conduct analysis to support the determination of whether the proposed price is fair and reasonable. Regardless of the specific evaluation methodology, in order to enable offerors to make informed decisions on how best to propose, every solicitation will provide an adequate description of the cost or price evaluation in accordance with paragraph 3.1.1 of this document.

C.6 Best Value Decision and Documentation

C.6.1 With the approval of the SSA, the Contracting Officer may establish a competitive range and conduct discussions with all of the most highly rated proposals, unless the range is further reduced for purposes of efficiency pursuant to FAR 15.306(c)(2). At the conclusion of discussions, each offeror still in the competitive range shall be given an opportunity to submit a final proposal revision.

C.6.2 The SSA shall ensure the proposals are evaluated for acceptability but not ranked using the non-cost/price factors.

C.6.3 The SSA shall select the source whose proposal offers the lowest evaluated price and for which all non-price factors are rated as Acceptable in accordance with established criteria in the solicitation. Both the solicitation and the Source Selection Plan must clearly describe the minimum requirements that will be used to determine the acceptability of the proposal. The characteristics will be expressed in terms of performance objectives, measures, and standards that map to the Statement of Work or other requirements documents.

C.6.4 The SSA shall document the supporting rationale in the SSDD. The SSDD shall be the single summary document supporting selection of the best value proposal consistent with the stated criteria in the solicitation.