

DISA Acquisition Deskbook

SOURCE SELECTION



March 2000



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I. Introduction



This deskbook provides supplemental Agency procedures/guidance about the source selection process. Controlling procedures/guidance are found in the Federal Acquisition Regulation (FAR) [Part 15](#); Defense Federal Acquisition Regulation Supplement (DFARS) [Part 215](#) and Defense Information Systems Agency Acquisition Regulation Supplement (DARS) [Part 15](#).

For the purposes of future updates, this Deskbook is consistent with Federal Acquisition Regulation (FAR) (through Federal Acquisition Circular 97-15, effective 27 Dec 00); DFARS (through DFARS Change Notice 20000210, effective 10 Feb 00); and DARS (through DISA ACs 97-09 and 97-14). The FAR, DFARS and DARS are accessible on the [D41 homepage](#). In the case of any conflicting guidance between these documents and this deskbook, the other documents are controlling.

A. What is source selection?

Source selection is the process of deciding who obtains the award of a contract action. It can be a rather simple process of finding the lowest priced item or be a very formal and structured process of determining the best value.

B. Reason for this deskbook

Obtaining the right item or service at the right time, from the right source, at the right cost is the objective of all Government purchases. This is "best value" in its broadest sense. Meeting the objective is the result of addressing the unique circumstances of each acquisition, the acquisition strategy, choosing a contracting method, and the award decision. This deskbook is designed to provide tools to use in obtaining the best value objective. The deskbook has information on conducting efficient and effective source selections.

**Best Value is
the goal
of every
acquisition**

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II. Importance of Procurement Integrity and Ethics



The guiding principle behind maintaining the integrity of the procurement process requires that all offerors are treated fairly and no one obtains an unfair advantage. There are stringent requirements

The principle of procurement integrity is that all offerors receive fair treatment and no one has an unfair advantage.

that **MUST** be adhered to by all participants involved in the source selection process. This includes both technical and contracting personnel. Procurement integrity rules provide **for both civil and criminal penalties** for violations (see [FAR Part 3](#) and [DISA's General Counsel's web page.](#)).

Personnel participating personally and substantially in a source selection cannot have financial conflicts of interest. At the earliest stage of the acquisition, the Contracting Officer will identify the participating individuals and submit a request to the General Counsel for a review of the individuals' financial disclosure forms. If an individual is not an annual filer, the individual will be required to file a disclosure form at that time.

Classified source selection documents must also be marked and protected as required by DODI 5200.1R.

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III. The Source Selection Authority



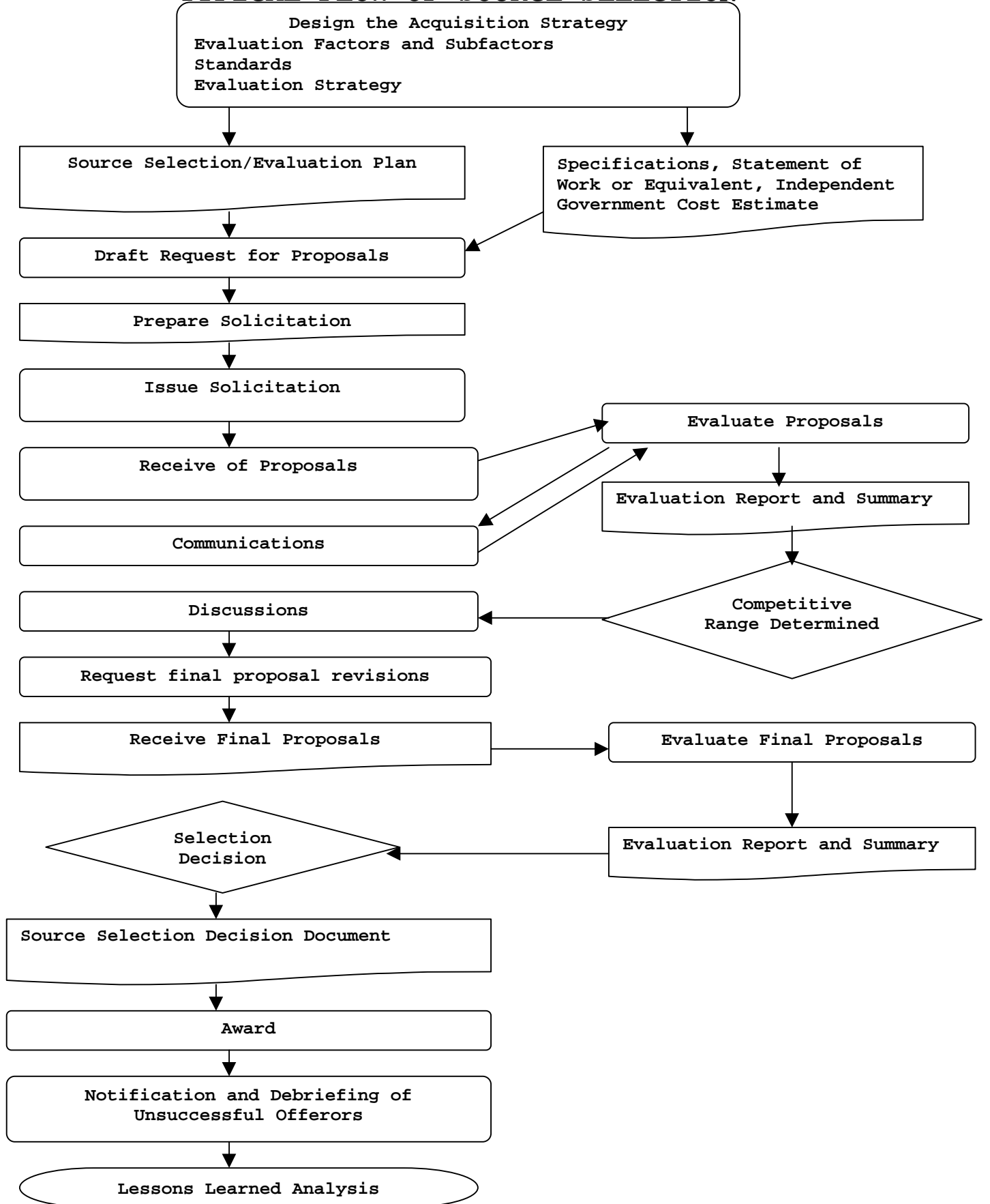
The Source Selection Authority (SSA) selects the contractor(s) and approach(es) that will provide the best value. The SSA must be at a level that is fully accountable for the results of the decision and know what factors determine the best value.

In most cases the Contracting Officer is the SSA. In some acquisitions, or classes of acquisitions, the agency head or other official may be the

SSA, or will appoint someone else to make the selection. [DARS Part 15](#) gives direction for requirements over \$10 million. In addition, successful execution requires early involvement of the SSA. This will allow the person to make a rational selection decision consistent with the solicitation. The amount of time and effort that is required is obviously a consideration when making the appointment.



TYPICAL FLOW OF SOURCE SELECTION



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IV. Designing an Acquisition Strategy

The source selection approach must be tailored to the acquisition. As soon as possible after identifying a need to acquire products or services, hold an acquisition strategy meeting, also called an Integrated Product Team (IPT). The attendees should include the person responsible for managing the program or project, contracting representative, legal advisor, potential evaluation team members, and others as needed.

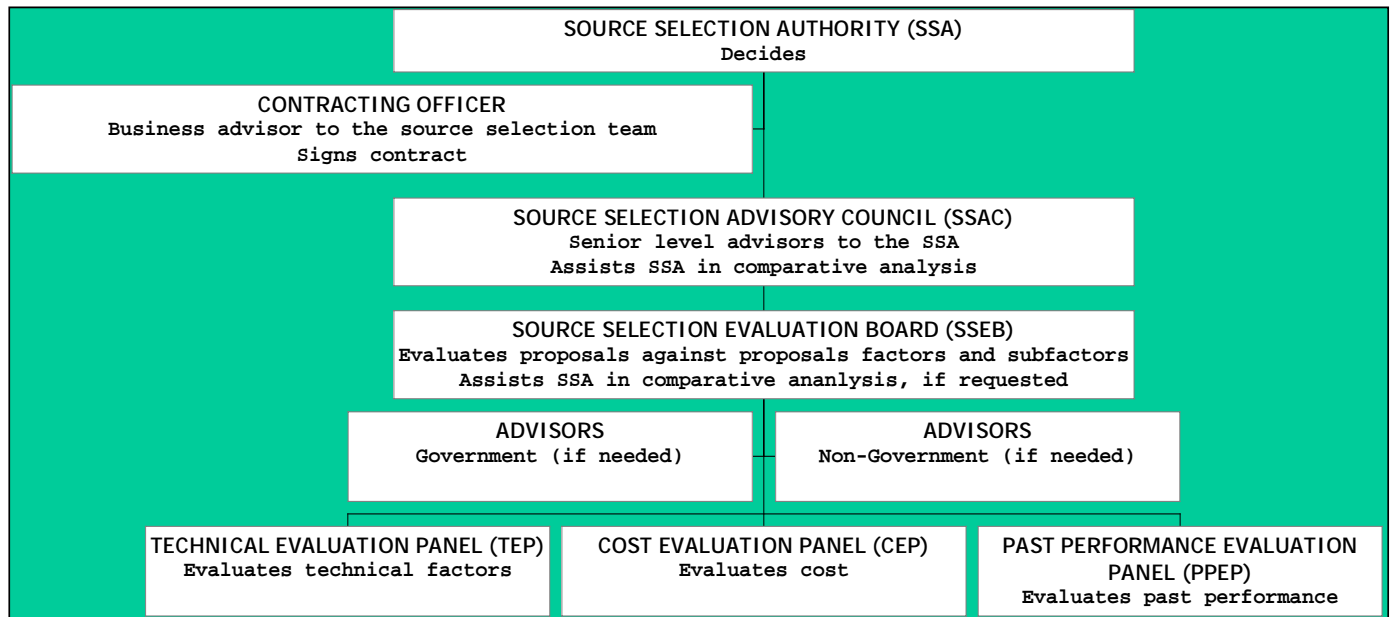
The strategy meeting should be used to determine the acquisition approach, including the source selection process and techniques that will be most appropriate. The group should use the meeting to discuss the results of market research, potential evaluation factors, information that may be needed from offerors to support those factors, and other appropriate planning issues such as the timetables for the acquisition and who should be members of the evaluation team. The group should design a strategy that best reflects the specific requirement, the results of market research, and the risks associated with the acquisition. The information obtained in the strategy meeting will be used as a basis for developing the source selection/evaluation plan.

A. Forming a Team

Source selection should be a multidiscipline team effort from the earliest planning stages. The size and composition of the team should be tailored specifically to the acquisition. In complex source selections there may be a large team, with members from various functional disciplines. In simpler source selections, however, the team may consist of one or more technical evaluators and the Contracting Officer, who is also the SSA. Whether the team is large or small, it should be established to ensure continuity and active, ongoing involvement of contracting, technical, logistics, legal, user, contract administration, and other experts, i.e. Acquisition or Program Managers or Acquisition Liaisons, to ensure a comprehensive evaluation of each proposal.

**Source
selection
is a team
effort.**

TYPICAL COMPLEX SOURCE SELECTION TEAM



The Source Selection Advisory Council is typically used in complex source selections and at the SSA's discretion. Source Selection Advisory Council members should be senior representatives of the organizations who have a direct interest in the acquisition. The size of the Council will vary with the complexity of the acquisition. The SSA appoints the Source Selection Advisory Council chairperson. The chairperson then generally appoints the remaining members and advisors to the Council, subject to approval of the SSA. At the discretion of the Vice Director, DISA, the proposed appointment of the Council and evaluation board members will be reviewed to ensure appropriate support from and representation of the agency's directorates and business interests.

Government and non-Government experts may be needed to provide advisory assistance. As advisors, they may review proposals and

provide objective comments and recommendations. They cannot determine strengths or weaknesses, establish initial or final assessments of risks, or rate or rank offerors' proposals. Non-Government advisors cannot be used if qualified Government personnel exist.

In a complex source selection, it may be useful for the Council to brief the SSA early in the acquisition process and at critical steps throughout the process. This approach will ensure that the SSA knows how the process is going and any acquisition process constraints. It also allows the SSA to readily express concerns and ideas that are likely to influence the final selection decision. Areas where the SSA involvement is essential include approval of the source selection/evaluation plan and the solicitation.

B. Researching the Market

Market research is the first step in any acquisition and essential to designing every strategy.

Market research is the first step in any acquisition and an essential part of designing every acquisition strategy. As the name suggests, it is used to obtain information on products and services available in the commercial marketplace. Market research is key in determining whether a need can be met by a commercial item or non-developmental item and in identifying commercial practices associated with such items or services. It also is a key to choosing the appropriate evaluation factors, contracting method, and the amount and type of information to be included in proposals.

Thorough research of the market should be done as soon as a need is forecast and as part of acquisition planning. It might be a one-person effort or a team effort. A variety of

techniques may be used to conduct market research including:

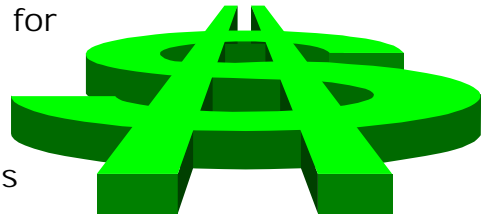
- Contacting knowledgeable individuals regarding market capabilities;
- Reviewing the results of recent market research;
- Querying government or commercial data bases;
- Participating in interactive, on-line communication;
- Reviewing catalogs and product literature.

C. Determining the Source Selection Approach

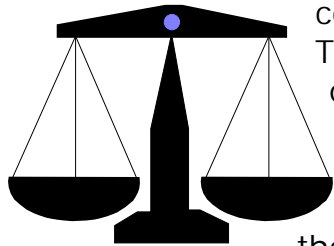
One of the first steps in designing an acquisition strategy is to determine the source selection approach that will obtain the best value. The two basic approaches are the lowest price technically acceptable process and the tradeoff process.

1. The Lowest Price Technically Acceptable Process

In some situations, simply comparing the cost or price of the proposals that meet or exceed the solicitation's requirements can be expected to result in the best value. In such cases, cost or price is the overriding consideration. While there may be a need for discussions there is no need to consider any additional benefit obtained by exceeding the requirements. The lowest price technically acceptable process is similar to a sealed bid approach in that award is made to the acceptable offeror with the lowest evaluated cost or price. The major difference is that the Contracting Officer can hold discussions with offerors prior to source selection to ensure offerors understand the requirements and to determine acceptability.



2. The Tradeoff Process



There are cases where the best value decision may require the consideration of factors other than the price or cost. There may be a need to consider technical capabilities, qualifications, or experience. These factors may or may not be more important than the cost or price. In these cases the SSA needs flexibility to select the best value. The best value may not be provided by the proposal offering the lowest price. The decision will involve a comparison of the combination of non-cost strengths, weaknesses, risks and the cost or price offered in each proposal. Then the judgment is made as to which provides the best combination. The SSA will need to document the decision and explain why the selected source represents the best value to the Government.

Unless a lowest price technically acceptable evaluation approach is used, source selection will involve some form of tradeoff. The process needs to be tailored to fit the circumstances. Consider the complexity of the acquisition and resources available.

D. Selecting Evaluation Factors and Subfactors

The solicitation and source selection plan must clearly state all the evaluation factors and subfactors that will be considered in making the source selection and their relative importance. These factors and subfactors inform offerors of all the significant considerations in selecting the best value source and the relative importance the Government attaches to each of these considerations. Offerors need to understand how their proposals will be evaluated so they can better prepare their proposals.

Evaluation factors help offerors understand the evaluation process.

A multidisciplinary team chooses the evaluation factors and subfactors based on user requirements, acquisition objectives, perceived risks, and thorough market research. Thorough research of the market helps the team identify the capabilities and where those capabilities are most likely to differ among potential offerors. The team then selects only those factors that will help differentiate among offerors and surface the most advantageous proposal. The factors and subfactors need to be limited to those areas expected to reveal measurable differences or risk levels among the proposals.

Limit evaluation factors to true discriminators.

1. Cost Factors

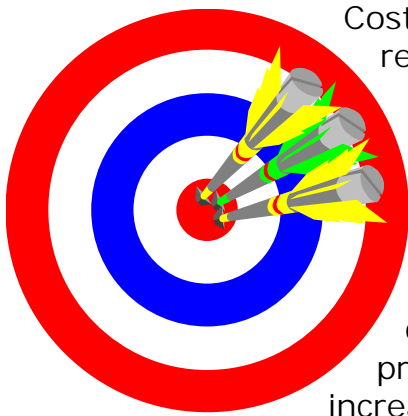
The Competition in Contracting Act, as implemented in the [FAR](#), requires that the price or cost be included as an evaluation factor in every source selection. This is because affordability must always be a consideration when spending taxpayer dollars.

Always include cost or price as an evaluation factor.

The relative importance between cost or price and the non-cost factors must also be reflected in both the solicitation and the weights or priority statements in the source selection plan. However, cost or

price is normally not numerically scored in the evaluation of proposals, because of possible distortions that can result when cost or price is converted into scores. Cost related factors and considerations will vary depending on the type of contract.

Cost realism plays an important role in many source selections. A cost realism analysis is a review of each offeror's cost proposal to determine if estimated proposed elements are realistic, reflect a clear understanding of the requirements, and are consistent with the methods of performance and materials in the offeror's technical proposal.



Cost realism must always be considered when a cost reimbursement contract is anticipated. Under a cost type contract, the proposed cost estimates may not be valid indicators of actual final costs to the Government. A cost realism analysis is performed and used to determine the probable cost of performance for each offeror. Selection decisions should be based on these probable cost estimates. Significant differences between proposed and most probable costs may signal increased performance risks.

Cost realism may also be considered for fixed price incentive contracts or, in exceptional cases, for other fixed price type contracts. However, proposed fixed prices are not adjusted for cost realism during the evaluation. It is useful in determining if any proposed prices are unrealistically high or low. These could indicate that the offeror is trying to lock in future contracts with a "buy in" or does not understand the requirement. The lack of understanding can be a significant risk to performance.

The solicitation must clearly state what costs will be evaluated and how the cost factor will be assessed.

2. Past Performance

How a contractor performed on previous contracts must be included as an evaluation factor in competitively negotiated acquisitions unless the contracting officer documents why it would not be appropriate for the specific circumstances of the acquisition. A thorough evaluation of past performance, to include information that is outside of the offerors' proposals, serves to ensure that awards are made to good performers

rather than to just good proposal writers. For further information see the [Past Performance Deskbook](#).

3. Technical Factors

Technical evaluation factors address the proposal's technical and performance requirements. These factors may include such considerations as technical approach and capabilities, management approach and capabilities, experience and personnel qualifications. Technical factors must be developed specifically for each acquisition, taking into consideration the particular objectives and requirements of that acquisition. These factors should be the discriminators that are found, through thorough market research, to be the most likely to reveal substantive differences in technical approaches or risk levels among competing proposals.

The source selection team has broad discretion in determining the technical evaluation factors and subfactors, their relative importance, and the way in which they will be applied. However, too many factors and subfactors can lead to a leveling of ratings. Leveling results in a number of closely rated proposals with little discrimination among competitors.

The number of non-cost factors is not critical, but having the right factors is.

Basic requirements for non-cost evaluation factors are:

- A reasonable expectation of variance among proposals in a specific area.
- A variance that can be measured either quantitatively or qualitatively.
- A variance that will aid in making a decision on what is the best value.

An evaluation factor should be chosen only if the requirements warrant a comparative evaluation of that area. The simplest way to assess a potential evaluation factor is to ask: "Will superiority in this factor provide value to the Government and is the Government willing to pay more for that superiority?"

E. Weighting the Factors and Subfactors

After determining the evaluation factors and subfactors, their relative importance must be established. The relative importance of factors and subfactors must be consistent with the stated solicitation requirements. If their relative importance does not accurately reflect the Government's requirements, the SSA may make an award to an offeror whose proposal is not the best value. The relative importance among all non-cost factors and their relationship to the cost or price factor must also be described using the terms, "significantly more important," "approximately equal," or "significantly less important." This relative ranking must be reflected in both the solicitation and the source selection plan.

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V. Developing Evaluation Standards



Evaluators must be able to determine the relative merit of each proposal with respect to the evaluation factors. Evaluation standards provide guides to help evaluators measure how well a proposal addresses each factor and subfactor. Standards permit the evaluation of each proposal against a uniform objective baseline rather than against each other. The use of evaluation standards minimizes bias that can result from an initial direct comparison of proposals. Standards also promote consistency in the evaluation by ensuring that the evaluators evaluate each proposal against the same baseline. In developing standards for each evaluation factor and subfactor, the following should be considered:

- Draft standards should be developed concurrently with the development of evaluation factors and subfactor.
- A narrative should be developed for each standard that specifies a target performance level that the proposal must achieve in order to meet the requirements of the factor or subfactor and the solicitation.
- Guidelines should be developed for higher or lower ratings compared to the standard "target."
- Overly general standards should be avoided because they make consensus among evaluators more difficult to obtain and may obscure the differences between proposals. A standard should be

worded so that mere inclusion of a topic in an offeror's proposal will not result in a determination that the proposal meets the standard.

- Either quantitative standards or qualitative standards can be used in source selections.
- The standards, as part of the source selection methodology, should be included in the source selection plan.

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VI. Typical Ratings and Descriptors

A rating system can use a scale of words, colors, numbers or other indicators to denote the degree to which proposals meet the standards for the non-cost evaluation factors. Ratings, whether adjectival, numerical or colors, are the application of the standards to the proposal. Rating systems which use adjectives or colors are usually the most successful because they allow maximum flexibility in making the tradeoffs among the evaluation factors. A narrative definition must accompany each rating so that evaluators have a common understanding of how to apply the rating. For example, a rating of excellent (or blue or 90-100) could be defined as meaning an outstanding approach to specified performance with a high probability of exceeding the requirement. What is key in using a rating system in proposal evaluations, is not the method or combination of methods used, but rather the consistency with which the selected method is applied to all competing proposals and the adequacy of the narrative used to support the rating.

A. Adjectival

Adjectives (such as excellent, good, satisfactory, marginal, and unsatisfactory) are used to indicate the degree to which the offeror's proposal has met the standard for each factor evaluated. Adjectival systems may be employed independently or in connection with other rating systems.

B. Color Coding

This system uses colors to indicate the degree to which the offeror's proposal has met the standard for each factor evaluated. For instance, the colors blue, green, yellow, amber, and red may indicate excellent,

good, satisfactory, marginal, or unsatisfactory degrees of merit, respectively.

C. Numerical

This system assigns point scores (such as 0-10 or 0-100) to rate proposals. This rating system generally allows for more rating levels and thus may appear to give more precise distinctions of merit. However, numerical systems can have drawbacks as their apparent precision may obscure the strengths, weaknesses, and risks that support the numbers.

D. Accompanying Narrative

A narrative is used in conjunction with a rating system to indicate a proposal's strengths, weaknesses, and risks. Adjectival, color, and numerical ratings must be supported with narrative statements. Narrative statements can describe the proposals' relative strengths, weaknesses, and risks to the SSA in a way that adjectives, colors, and numbers alone cannot. A narrative is required when evaluation standards are being applied, when a comparison of proposals is being made, and when a cost/technical tradeoff is conducted. The narrative provides a reasonable and rational basis for the selection decision.

| Typical Ratings and Descriptors | | | |
|--|-------------------|--------------|--|
| Each rating <u>must</u> have a definition. | | | |
| <u>TECHNICAL MERIT</u> ratings reflect the government's confidence in each offeror's ability, as demonstrated in its proposal, to perform the requirements stated in the RFP. A choice of one method (e.g., numerical, adjectival, or color) will be made to evaluate technical merit. | | | |
| <u>NUMERICAL</u> | <u>ADJECTIVAL</u> | <u>COLOR</u> | <u>DEFINITION</u> |
| 90-100 | Excellent | Blue | Proposal demonstrates excellent understanding of requirements and approach that significantly exceeds performance or capability standards. Has exceptional strengths that will significantly benefit the Government. |
| 80-89 | Good | Purple | Proposal demonstrates good understanding of requirements and approach that exceeds performance or capability |

| | | | |
|-------|----------------|--------|--|
| | | | standards. Has one or more strengths that will benefit the Government. |
| 70-79 | Satisfactory | Green | Proposal demonstrates acceptable understanding of requirements and approach that meets performance or capability standards. Acceptable solution. |
| 60-69 | Marginal | Yellow | Proposal demonstrates shallow understanding of requirements and approach that only marginally meets performance or capability standards necessary for minimal but acceptable contract performance. |
| <60 | Unsatisfactory | Red | Fails to meet performance or capability standards. Requirements can only be met with major changes to the proposal. |

PROPOSAL RISK ratings assess the risks and weaknesses associated with each offeror's proposed approach to performing the requirements stated in the RFP. It is an overall assessment derived from the technical evaluation and is driven by each of the subfactors within the technical factor.

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

| PERFORMANCE RISK (Past Performance) ratings assess the risks associated with each offeror's likelihood of success in performing the requirements stated in the RFP <u>based on that offeror's demonstrated performance on recent, relevant contracts.</u> | |
|---|---|
| ADJECTIVE | DESCRIPTION |
| Very Low Risk | Offeror's past performance record provides essentially no doubt that the offeror will successfully perform the required effort. |
| Low Risk | Offeror's past performance record provides little doubt that the offeror will successfully perform the required effort. |
| Moderate Risk | Offeror's past performance record provides some doubt that the offeror will successfully perform the required effort. |
| High Risk | Offeror's past performance record provides substantial doubt that the offeror will successfully perform the required effort. |
| Very High Risk | Offeror's past performance record provides extreme doubt that the offeror will successfully perform the required effort. |
| Unknown Risk | The offeror has no relevant performance record. A thorough search was unable to identify any past performance information. |
| COST - NOT "RATED." Reflects the evaluated cost. RFP must describe method by which cost will be evaluated (e.g., how probable cost or life cycle cost will be evaluated.) | |

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VII. Drafting a Source Selection/Evaluation Plan

A thoroughly contemplated plan for selecting the best value option is vital to any source selection process. The plan should be tailored to reflect the complexity of each acquisition. In more complex source selections, this plan is called the Source Selection Plan or SSP and is prepared for the SSA's approval. In less complex acquisitions the plan is often referred to as the Technical Evaluation Plan (TEP). The plan

The source selection plan is the roadmap for the source selection process.

should be developed prior to preparation of the solicitation. It is the "roadmap" of how the evaluation and analysis of proposals and the final source selection will be organized and conducted.

The plan has acquisition sensitive information and CANNOT be released outside the contracting activity's source selection organization.

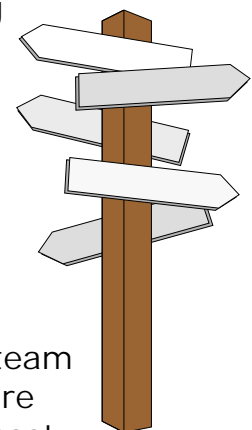
In a tradeoff process there are many internal and external influences that may need to be considered. The selection plan and the solicitation need to consider these influences and assure that the proposal selected provides the best value to the Government. Two examples of such influences are:

- Supporting several different missions or functions. This situation should influence how the agency specifies its requirements and those will in turn influence offerors' solutions.
- The rate at which technology and market factors are changing. Between the time the agency identifies a requirement and the offerors submit proposals, technology may have developed efficiency and productivity benefits unanticipated by the agency.

A. Purpose of the Source Selection Plan

The source selection plan serves several purposes, including --

- Defining a specific approach for soliciting and evaluating proposals.
- Describing the evaluation factors and subfactors, their relative importance, and the methodology used to evaluate proposals.
- Providing essential guidance to the solicitation developers, especially for putting together the solicitation sections dealing with proposal preparation and evaluation.
- Serving as a charter and guide for the source selection team on the roles of the members and the conduct of the entire source selection from proposal evaluation, through the cost or price/technical tradeoff, award decision, and debriefing.



B. Substance of the Source Selection Plan

Although there isn't a specific format for the source selection plan, its size and detail should reflect the complexity of the acquisition. The plan needs to include the following sections. Support documents may be referred to in the plan and attached to it.

- (1) INTRODUCTION. A brief description of what is being acquired.
- (2) SOURCE SELECTION ORGANIZATION. A description of the structure of the source selection process. It identifies the SSA, Source Selection Advisory Council members, evaluation board members, and any other participating boards or workgroups. The members are identified by name, by position title, or by functional area. Also identified are other Government organizations that will be represented on the evaluation board or the Advisory Council.
- (3) PROPOSED PRESOLICITATION ACTIVITIES. A description of the activities preceding the release of the solicitation, including market surveys, acquisition strategy meetings, draft solicitations, synopsis, and solicitation review panels. In describing the market survey, how it was used to achieve competition should be discussed.
- (4) EVALUATION PROCEDURES. Descriptions of how the proposals will be evaluated and rated. Descriptions of how the independent Government cost estimate (IGCE) was developed, including any cost drivers. Also includes a description of how those cost drivers will be evaluated.
- (5) EVALUATION FACTORS. A description of the proposed evaluation factors and subfactors, their relative importance, and associated evaluation standards. Also, a description of the evaluation process being used (i.e., lowest price technically acceptable, tradeoff, or hybrid) and any innovative techniques such as multiple phases, oral presentations, or tailoring. Include a description of the rating system being used. See [FAR Part 15.102](#) for additional information on oral presentations. The [Department of Energy's Guidelines for Use of Oral Presentations](#) is also a good resource.

If cost realism is a requirement, develop an outline of the process for formulating the Government's best estimate of the total cost. Separately identify items having sufficient cost impact to warrant special consideration. Also, identify items that represent non-quantifiable cost risks. Any proposed Independent Cost Analysis

(ICA), Most Probable Cost (MPC), and Life Cycle Cost (LCC) estimates should be presented. Although the cost criterion will not be rated, it should be ranked in order of importance.

(6) ACQUISITION STRATEGY. A summary of the acquisition strategy, including type of contract(s) proposed, the incentives contemplated, milestone demonstrations intended, and any special contract clauses. This strategy must be reflected in the strategy provided in the solicitation.

(7) SCHEDULE OF EVENTS. A schedule of significant milestones that should cover, at a minimum, the period beginning with the designation of the SSA and continuing through receipt of proposals, evaluation, negotiation, source selection, and the signing of the contract. Using a program manager software tool, like Microsoft Project, that identifies all significant acquisition elements affecting or potentially affecting the acquisition schedule is advisable. The schedule should show parallel and "critical path" activities.

(8) NON-GOVERNMENT ADVISORS. The identification of any non-Government advisors.

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VIII. The Solicitation



All of the parts of the solicitation must work together to communicate the Government's requirements. The solicitation provides all the information the offeror needs to understand what is being bought, how it is being bought, and how the source will be selected. This

The objectives of the acquisition, the contracting strategy, the evaluation plan, the solicitation, the evaluation and selection must be consistent.

information includes: the work requirements; the terms and conditions; evaluation factors and significant subfactors; the relative importance of the factors and subfactors; instructions to offerors, including whether award may be made without discussions; and other exhibits and attachments. When read as a whole, the solicitation should convey to the offerors a clear understanding of what is being bought and the areas where technical and cost tradeoffs can be made in their proposals to best satisfy the Government requirements.

Industry frequently complains that solicitations have major conflicts. Particularly troublesome are conflicts among the descriptions of what is being bought, instructions on how to prepare a proposal, and guidance on important factors/subfactors and the ground rules for the evaluation. An inconsistent solicitation can defeat the objectives of an acquisition, cause unnecessary delays, and lead to litigation.

A. Performance Requirements

(Specifications, Statement of Work, or Equivalent)

The way the Government's requirements are presented in the solicitation can have a significant impact upon the source selection decision using the tradeoff approach. Some areas to consider when preparing the performance requirements for the solicitation include:

1. Functional or Performance Requirements

Using performance requirements can lead to offeror innovation.

Functional or performance requirements are those that describe the function or performance desired and allow the offerors to propose the process to accomplish the objectives. Functional or performance requirements should be used to the maximum extent possible. In some cases, using functional or performance requirements may make it more difficult to develop evaluation standards and conduct the evaluation process itself; however, there are benefits to using functional or

performance requirements. These benefits include:

- Increased competition.
- Access to the best commercial technology.

- Better technical solutions for better prices as a result of offeror innovation.
- Usually can be developed faster than design requirements.
- Fewer situations available for protests.

2. Design Requirements

Design requirements are those that direct the process to accomplish the objectives. These should be limited to the ones essential to meet mission needs. Design requirements may:

- Limit competition.
- Limit situations where potential offerors can propose innovative solutions.
- Result in a less than optimal technical solution.
- Slow the specification development process.
- More situations for protest.

B. Proposal Submission Information

The instructions for preparing and submitting proposals are critical to an acquisition using the tradeoff approach. There has to be a linkage between solicitation requirements, each evaluation factor and subfactor and the proposal preparation instructions.

Request only the information needed to evaluate proposals against the evaluation factors and subfactors.

The information requested from offerors must correlate with the evaluation factors and subfactors. However, instructions that require voluminous information can cause potential offerors to forego responding to the solicitation in favor of a less costly business opportunity. Furthermore, excessive size of proposals may increase the Government's costs to perform the evaluation and length of the evaluation period.

Each evaluation factor and subfactor must correlate directly with the proposal preparation instructions.

The instructions on the preparation and submission of proposals must:

- Be clearly and precisely stated.
- Be keyed to the evaluation factors and subfactors.
- Describe the type, scope, content, and format of the information to be submitted.
- Describe the order in which proposal responses and materials are to appear.
- Be limited to the information needed to do the evaluation.

Properly written proposal preparation instructions simplify the evaluators' job. That is, evaluators do not have to learn a new format for each proposal; they can evaluate the same requirements in each proposal in the same way. With a sufficient degree of structure in the proposal preparation requirements, proposals may be able to be accepted in electronic form and some automation may be used in the evaluation process. Currently DISA has an automated source selection tool. This tool facilitates organization and documentation by a source selection evaluation board. Source Selection Evaluation Board Members, Program Managers, Contracting Officers and the SSA can use the tool. Further information on this tool can be obtained from D41, Nathan Maenle.

The solicitation must also inform offerors of any minimum requirements for any particular evaluation factor and subfactor that must be met. A distinction needs to be made between minimum acceptable requirements and desirable objectives/features. If desirable objectives or features are included with the minimum requirements, the solicitation must clearly explain how they will be evaluated and whether or not credit will be given in the evaluation for exceeding such desirables.

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IX. Evaluation Considerations



A. Overview

The source selection evaluation process includes examining each proposal in detail against the evaluation factors and subfactors and the requirements set forth in the solicitation, and assigning a rating, with a

supporting narrative. The proposal evaluation process assesses the proposal and the offeror's ability to perform. At this stage, it does not analyze proposals against each other and it must be conducted in a fair, comprehensive, and impartial manner.

Evaluations must be fair, thorough, and impartial.

The evaluation process can be complicated no matter how much planning and tailoring is done.

Automated source selection tools can increase efficiency. There are commercial packages available. Evaluators still have to evaluate each proposal, but these tools might ease the administrative burden that comes with a great number of proposals.

B. Reasons for the Evaluation Process

The principal purposes of the process are to:

- Determine which proposals are acceptable and/or within the competitive range.
- Provide a sound basis for the SSA to make an informed and reasoned selection by:
 - Presenting a clear picture of the issues considered during evaluation by identifying areas of uncertainty as well as those which provide substantial assurance of a successful outcome.
 - Listing the strengths, weaknesses, costs and risks of the proposed approaches.

C. Evaluation Process Tasks

Evaluation tasks will vary in number and content with each source selection. However, several especially important tasks are discussed below.

1. Familiarization

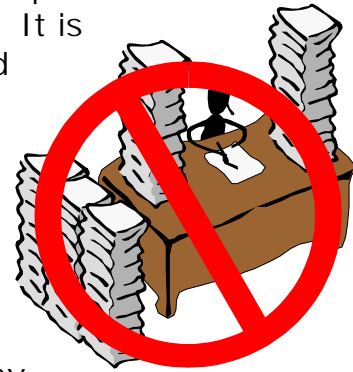
Prior to receipt of proposals, each evaluator should become familiar with the solicitation's requirements, the source selection plan, and the rating system. Training should be conducted, especially for those evaluators with no prior evaluation experience, that includes an overview of the solicitation and of the work expected throughout the source selection process. The training should include how to properly document each proposal's strengths, weaknesses, and risks.



2. Cost Evaluations

Cost or price must be an evaluation factor in all acquisitions. Cost evaluations vary depending on the specific circumstances of each acquisition. For fixed price contracts, the evaluation normally should be as simple as a comparison of the offered prices to ensure the contract price is fair and reasonable. Other techniques of price analysis may also be used. A cost analysis should not be used unless there is no other way to determine if the price of the otherwise successful offeror is reasonable.

For cost reimbursement type contracts, an analysis of costs for both realism and reasonableness must be done. The cost realism analysis enables a determination of the probable cost of performance for each offeror. This precludes an award decision based on overly optimistic offeror's cost estimates where risks of an overrun may be significant. A cost realism analysis is an independent review of specific elements of each offeror's proposed cost estimate. It is used to determine whether the estimated proposed cost elements are realistic, show understanding of the work, and are consistent with what will actually be required, given each offeror's unique methods of performance and materials described in their technical proposal. Like other proposal requirements, only the minimum amount of information that is necessary to determine cost realism should be requested. More information may need to be requested after the start of the evaluation. Any information used only for the cost realism analysis is not considered cost or pricing data.



The probable cost should reflect the Government's best estimate of the cost of the contract, which is most likely to result from the offeror's proposal. This estimate is determined by adjusting each offeror's proposed cost, and fee when appropriate, upwards or downwards to reflect the cost realism assessment.

To the extent that differences between proposed costs and probable costs reflect significant risks of future performance or lack of understanding, that risk or lack of understanding should be reflected in the non-cost evaluation. In such cases, it should also seriously be considered whether or not the proposed cost and fee or price can be determined fair and reasonable to both parties.

The probable cost estimates developed for each offeror are used to evaluate and compare proposals and ultimately to select the proposal expected to result in the best value.

3. Past Performance Evaluations

Unless a lowest price technically acceptable approach is being used, the past performance evaluation involves a comparative assessment of performance risk associated with each proposal. It describes the degree of confidence the government has in the offeror's ability to perform based on that offeror's demonstrated record of past and present work similar to the work to be performed. For further information see the [Past Performance Deskbook](#).

4. Technical Evaluations

Evaluators must examine each proposal individually in detail to measure it against the evaluation factors and subfactors in the solicitation. Evaluators need to ask questions such as "How much?" or "How well?", assign a rating and document the basis for the rating. This is the core of the evaluation process.

Normally, technical evaluations should be conducted independently of the cost or price evaluations so that technical findings and conclusions will not be influenced by knowledge of the costs. However, in some instances, it may be appropriate to give the entire evaluation team access to cost or price information to ensure the best possible overall evaluation and enhance the evaluation of cost realism. Such a review can help verify perceived technical strengths, weaknesses or risks and ensure consistency between the cost or price and technical segments of the proposals.

All evaluators must have the required functional expertise and training to evaluate the particular area of the proposal they are assigned. They should also be thoroughly familiar with the solicitation and the Source Selection Plan.

5. Identifying Proposal Ambiguities and Inadequate Substantiation

First evaluators should document problems in evaluating a proposal. These could be because its language is ambiguous, its meaning is



unclear, or it has failed to respond to the solicitation instructions. Evaluators should also identify, in writing, instances in which an offeror has not provided enough information to evaluate the feasibility and merit of its proposed approach. The Contracting Officer can then seek amplification and additional information to address such issues.

6. Identifying Strengths, Deficiencies, Significant Weaknesses, and Risks

Evaluators must identify and document the strengths, deficiencies, significant weaknesses, and the accompanying risks of each proposal. Deficient proposals are those that materially fail to meet a Government requirement or that contain a combination of significant weaknesses that increase the risk of unsuccessful performance.

Narrative statements must be done to establish a written record. Numerical scores and other rating techniques are not conclusive to make the source selection decision. Only evaluations and ratings substantiated by specific strengths, weaknesses, and risks will be considered credible and justifiable. General terms such as "weak," "poor" or "excellent" must be supported with specific reasons as to why the proposal is "weak," "poor," or "excellent" in relation

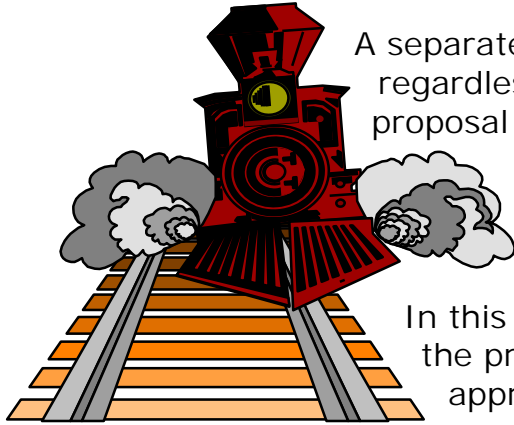
to the standard for the specific factor and subfactor being evaluated. This documentation is done on DISA Forms 546, 546A, 546B and 546C (available within the DISANet Standard Applications (Formflow)).

Documenting proposal strengths, weaknesses, and risks is critical.

The strengths, weaknesses, and risks of each proposal form a large part of the basis for the source selection decision. Generally, the fact that a proposal is deficient as submitted does not necessarily mean that it is excluded from further consideration. The identification of these vital items provides:

- An element for the Contracting Officer to consider in determining the competitive range.
- The framework for any necessary discussions between the Government and the offeror.
- Specific information on the relative strengths and weaknesses of competing proposals. This is a critical element of the evaluation report provided to the SSA.

- The basis for tradeoff analysis ultimately performed by the SSA to determine if differences in merit between proposals justify any cost or price differential.
- The framework for offeror debriefings.



A separate evaluation finding can be made, regardless of the offered cost or price, that the proposal failed to meet requirements, or even the basic intent of the acquisition, and that a complete revision of the proposal would be required. This is a determination that a proposal is technically unacceptable. In this case, if the offeror were allowed to correct the proposal, he would be led to a solution or approach, which is unfair to the other offerors.

7. Consensus

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

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X. Exchanging Information with Offerors

A dialogue after receipt of proposals allows for the obtaining of information needed to better understand proposals and make best value decisions. While all such dialogue must be conducted in a fair and impartial manner, its nature and extent will vary depending upon when it occurs.

A. Who is in Charge?

The Contracting Officer remains the focal point for all information exchanges with prospective contractors from release of a solicitation through contract award. Once proposals are received, the Contracting Officer also controls all exchanges with offerors.

The Contracting Officer controls all exchanges with offerors.

B. Establishing the Ground Rules

Before exchanging any information with offerors, the Contracting Officer should ensure that team members who participate in such exchanges receive instructions not to:

- Favor one offeror over another;
- Reveal an offeror's solution, technology, or intellectual property to another offeror;
- Reveal an offeror's price without that offeror's permission;
- Reveal the name of individuals providing past performance information; or
- Release source selection information.

C. Award Without Discussions

Before issuing the solicitation, it must be decided if the intent is to make award without discussions and that decision must be communicated in the solicitation. An award without discussions is most likely to result in best value when requirements are clear, commodities are known or stable, and the marketplace is extremely competitive.

If the solicitation advised offerors of the intent to award without discussions, discussions can still be held, if appropriate, provided documentation is made as to why discussions are necessary.

D. Requesting Clarifications When Awarding Without Discussions

The most limited exchanges are clarifications that occur if award will be made without discussions. Under these circumstances, the Contracting Officer may give offerors the opportunity to clarify certain aspects of their proposals. Examples are questions about the

relevancy of the past performance or adverse past performance information on which an offeror hasn't yet had an opportunity to comment. These exchanges may be used to resolve minor irregularities, informalities, or clerical errors. Such clarifications provide minor explanations but do not revise or modify the proposal, except to the extent that correction of apparent clerical mistakes results in a modification of the offer.

E. Holding Communications

Before making a competitive range decision, there may be a need to

Communications may be held to help evaluators understand gray areas in the proposal.

hold communications with some offerors to determine whether or not to include a proposal in the competitive range. This is like fact-finding. The objective of these exchanges is to help evaluators understand and evaluate the proposal.

Communications must be held with any offeror who will be excluded from the competitive

range because of their adverse past performance information. Otherwise, communications can only be held with those offerors who are neither clearly in nor clearly out of the competitive range. If an offeror is clearly in the competitive range, formal discussions, addressed later, are the proper place to address concerns.

It is the offerors' responsibility to ensure that initial proposals are as clear and complete as possible. When holding communications, only those questions necessary to understand the proposal and make the competitive range determination can be asked.

Communications do not permit proposal revisions.

Questions may be used to solicit information that will clear up gray areas, such as perceived deficiencies, omissions, and errors, or questions about an offeror's capability or preaward survey. During the communications, offerors must be given an opportunity to address any adverse past performance information if they have not had a previous opportunity. Information obtained during communications, however, may not be used to revise a proposal, correct any deficiencies or

material omissions, or change any technical or cost elements of a proposal, except for correction of mistakes.



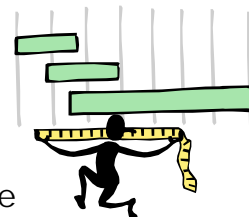
Once there is enough information to decide how the proposal should be rated, all communications then **STOP**. No revisions can be accepted before the opening of formal discussions.

F. Establishing the Competitive Range

The competitive range consists of all the most highly rated proposals, unless it is further reduced for efficiency. Establishing the competitive range results in greater efficiency by limiting the number of offerors with whom the Government must hold discussions to the finalists or leading contenders for contract award. However, failure to properly establish a competitive range can result in higher costs because of protests or eliminating potentially competitive offerors. When establishing the competitive range, consider the following points:

- The Contracting Officer determines the competitive range. In the case of more complex source selections, the determination is made with the approval of the SSA.
- The determination of the competitive range should be made only after an initial evaluation of each proposal in accordance with all cost and non-cost factors in the solicitation.
- The competitive range should be limited to all of the most highly rated proposals, considering the initial evaluation of both cost and non-cost factors. Predetermined "cutoff" ratings cannot be used to exclude a proposal from the competitive range.
- If there are very few highly rated proposals, it may be advantageous to include all of them in the competitive range.
- If there are too many highly rated proposals to evaluate efficiently, the competitive range may be limited further, provided the intent to do so is in the solicitation. The most highly rated proposals should be included in the competitive range. This should be the largest number that will still permit an efficient competition.

It may not always be necessary or even advisable to further narrow the competitive range for efficiency. A determination must be made as to what constitutes an efficient competitive range for each acquisition. Factors such as the expected dollar value of the award; the complexity of the acquisition and solutions proposed; or the extent of available resources should be considered. A competitive range needs to maintain an efficient level that does not waste resources for either the Government or the offerors. The



competitive range should be continually reassessed as discussions and evaluations continue. The Contracting Officer should remove from the competitive range any proposal that, during or after discussions, is no longer considered to be a leading contender for award. This allows offerors who are not likely to be selected for award to shift their proposal costs to competitions where they have a better chance for success.

When proposals are excluded from the competitive range, the Contracting Officer must promptly notify unsuccessful offerors. Upon request, a debriefing must be provided to the excluded offeror that explains the basis for the decision.

G. Conducting Discussions

The most detailed and extensive exchanges are held after establishment of the competitive range. These exchanges are known as discussions and are done by the Contracting Officer. Unless the solicitation informs offerors that award may be made without discussions, the Contracting Officer must conduct meaningful discussions with each offeror in the competitive range.

Discussions maximize the Government's ability to get the best value.

While the content of discussions is a matter primarily within the discretion of the Contracting Officer, discussions must meet fundamental requirements of being meaningful and fair. The primary purpose of discussions is to maximize the Government's ability to get the best value. During discussions, the objective should be to reach complete agreement between and understanding by the Government and the offeror regarding all the basic requirements in the solicitation. In essence, obtaining a contract that will meet the solicitation's requirements and will provide no surprises after award is the goal of both parties.

Discussions must be meaningful and fair.

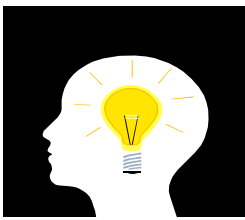
To ensure discussions are meaningful, all evaluated deficiencies, significant weaknesses, and other proposal aspects that could be altered or explained to enhance an offeror's

award potential must be identified to the offeror. Legal counsel advice during the discussion process may help avoid protests.

H. Obtaining Proposal Revisions

All information obtained through discussions should be included in proposal revisions. Offerors should submit any changes to their proposal resulting from discussions, in writing, before the Contracting Officer requests the final proposal revisions, particularly if a number of significant issues need resolution. This allows further discussions, if necessary. After responses are received to all of the issues raised, a reevaluation of the proposals must be done. Any factor impacted by the responses must be rated again in the same manner as in the initial evaluation. All issues should be resolved or at least understood by each offeror and the Government prior to concluding discussions.

At the conclusion of discussions, all offerors remaining in the



competitive range have an opportunity to improve their proposal by submitting a final proposal revision within a common cutoff date and time. If, after receipt of final revised proposals it becomes necessary to subsequently clarify minor irregularities, this can be done, without any additional request for final proposal revisions from all offerors. However, if further negotiations are needed, the Contracting Officer will extend to all offerors a second final revision opportunity.

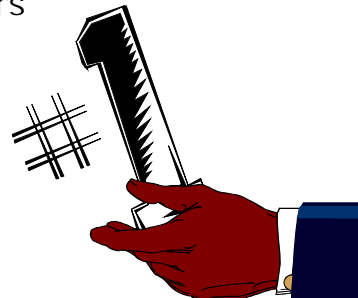
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XI. Selection Decision



The selection decision must:

- Be based on a comparative analysis of the proposals;
- Be consistent with stated evaluation factors and subfactors;
- When tradeoffs are permitted, consider whether or not perceived benefits are worth any price premium;
- Have a rational basis and that basis must be set forth in an independent, defensible document.



Consistent with the solicitation, after the team has completed the evaluation of the individual proposals, the SSA compares competing proposals to each other. When using the lowest price technically acceptable process, the SSA compares proposals on the basis of cost or price alone and selects the offeror with the lowest evaluated cost or price meeting the acceptability requirements for all factors and subfactors.

When using the tradeoff process, the SSA compares proposals on the basis of the ratings, and how the strengths, weaknesses, and risks will impact the specific objectives of the acquisition. The SSA may request the evaluators to conduct comparative analyses of proposals and make a recommendation concerning the source selection. The SSA will use all the information on the proposals and evaluation to make an independent judgment of the best value.

Consistent with the solicitation, the possible outcomes of this comparison are:

- The proposal with the superior non-cost merit is the lowest cost or price proposal. In this case award should be made to the offeror submitting the proposal with the lowest evaluated price or cost.
- The proposals may be determined to be essentially equal in terms of non-cost factors. In this case also, award should be made to the offeror submitting the proposal with the lowest evaluated cost or price.
- When the proposal with the lowest evaluated price or cost is other than the proposal(s) with higher non-cost merit, the SSA must perform a cost/technical tradeoff analysis to decide whether the technical superiority of the other proposal(s) warrants payment of the additional price or cost.

A. Making the Cost/Technical Tradeoff Analysis

Ratings are merely guides for decision making. The SSA is responsible for independently determining whether non-cost advantages are worth the cost or price that might be associated with a higher rated proposal. The decisive element is not the difference in ratings, but the SSA's rational judgment of the significance of that difference, based on an integrated comparative assessment of proposals.

When making the cost/technical tradeoff leading to the selection decision, there is no "magic" formula. The SSA must exercise reasonable business judgment that is consistent with the solicitation

There is no magic formula for making the cost/technical tradeoff.

when selecting the offeror for contract award. The information considered should include an analysis of the following:

- The each proposal's total evaluated price or cost.
- The significance of the differences in the non-cost ratings as indicated by each proposal's strengths, weaknesses, and risks. The strengths, weaknesses, and risks for each factor must be considered in light of the relative importance of

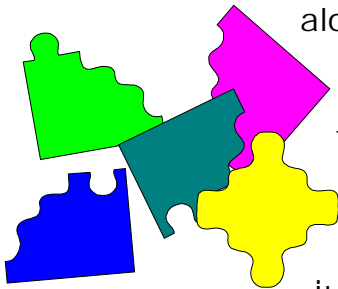
each factor stated in the solicitation.

In performing a tradeoff, steps similar to the following might be considered to arrive at a rational decision that can be well documented:

1. Compare the proposal differences that surfaced during the evaluations;
2. Define these differences and analyze their impact on performance objectives;
3. Make paired comparisons, comparing each proposal to each of the others;
4. Assess the best mix of cost and non-cost benefits and determine whether the strengths of higher rated proposals are worth the price premium.

A price premium must be justified regardless of the superiority of the rating.

It is essential to document cost/technical tradeoff judgments with detailed narrative explaining the relevant facts and supporting rationale. Mere statements of conclusion based on ratings or scores alone are not acceptable. The cost/technical tradeoff documentation must explicitly justify a price premium regardless of the superiority of the selected proposal's technical or non-cost rating. This justification is required even when the solicitation indicates that non-cost factors are more important than cost or price. The justification must clearly state what benefits or advantages the Government is getting for the added cost or price and why it is in the Government's interest to expend the additional funds.

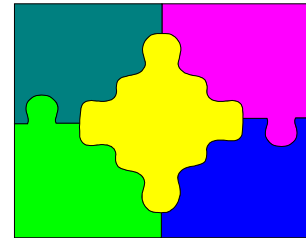


Where it is determined that the non-cost benefits offered by the higher priced, technically superior offeror are not worth the price premium, an explicit justification is also necessary. In this case, the documentation must clearly show why it is reasonable, in light of the significance of the differences,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

To determine which proposal provides the best value, the SSA must analyze the differences between competing proposals. This analysis must be based on the facts and circumstances of each acquisition and must be consistent with the solicitation.

B. Documenting the Proposal Comparison

Documentation explaining the final results of the evaluation should be prepared for the SSA to use in making the selection decision. This documentation should include the technical and/or past performance evaluation results, the cost or price evaluation, and the comparative value analysis, if applicable, for each proposal in the competitive range. The documentation should also include other considerations such as the results of negotiations.



For more complex source selections, this is accomplished by means of a formal report that is provided to The SSA. For less complex source selections, the documentation may be included as part of the Price Negotiation Memorandum. It should be simple but concise and should cross-reference rather than repeat information in existing documents as much as possible. The analysis and comparisons in this documentation should be used as an aid to the SSA's judgment -- not as a substitute for judgment. The documentation may contain:

- Introductory information such as:
 - Data about the source selection plan.
 - The basis for award and evaluation factors and subfactors.
 - Participants in the evaluation process.
 - Solicitation requirements.
 - The number of offerors solicited.
 - The offerors who responded and those in the competitive range.
 - A summary of each proposal within the competitive range.
 - Comparative analyses of both cost and non-cost factors of the proposals within the competitive range.

The factors and subfactors evaluated should be discussed, first individually and then comparatively.

The comparative cost analysis should explain the reasonableness, realism, and rationale of each offeror's price or cost proposal.

Each proposal's major strengths, weaknesses, risks, as well as the details and results of the tradeoff analysis.

- A discussion of the overall impact of significant risks associated with each proposal within the competitive range. This discussion may address, for example:
 - Technical risks inherent in the offeror's proposed approach.
 - Degree of confidence in the realism of the offeror's cost or price proposal taking into consideration technical and schedule risk.
 - Production risks relating to new technologies and overall production competence.
 - Performance risks relative to the offeror's record of recent and relevant past performance.
- A summary of the comparative analyses of the issues considered significant to the SSA's decision. If requested by the SSA, a selection recommendation would be included.

C. Documenting the Selection Decision and Awarding the Contract

Documentation setting forth the decision rationale must be prepared to support the SSA's decision. The selection statement must be an independent document that succinctly and accurately provides rationale for the selection. It should explain how the successful proposal measured up against other offerors based on the evaluation factors and subfactors in the solicitation. It should also explain the tradeoff judgments, including benefits associated with any additional cost.

TYPICAL SOURCE SELECTION DECISION DOCUMENT

Source Selection Decision Document for (specify product/service & RFP #) Decision Statement.

1. **Example:** As Source Selection Authority for this acquisition, I have determined that the XYZ product/service proposed by Offeror C provides the best overall value to satisfy DISA's needs.

This selection was made based upon the factors and subfactors established in the solicitation and my integrated assessment and comparison of the strengths, weaknesses, and risks of the proposals submitted in response to the solicitation. This memorandum documents the basis for my decision.

2. **Brief description of the product/service called for in the solicitation.**
3. **Brief description of the Basis for Award including the major factors against which proposals were measured and their relative order of importance.**
4. **A list of offerors in the competitive range.**
5. **Rationale for business judgments and tradeoffs. Include the following:**

Succinctly compare each proposal to each of the others, focusing on key proposal differences (strengths, weaknesses, and risks) that surfaced in the evaluation and their impact on the acquisition objectives.

Clearly explain specific tradeoffs that led to the decision.

Clearly explain the specific benefits of the technically superior offeror(s) and why they are or are not significant enough to warrant any additional cost.

6. **Summary. Example:** In summary, based on my integrated assessment of all proposals in accordance with the specified evaluation factors and subfactors, it is my decision that Offeror C's proposal offers the best overall value.

Signature

Source Selection Authority

This document becomes part of the official contract file and can be released, provided that any information exempt under the Freedom of Information Act (FOIA) is not released. Also, showing offerors who request a debriefing the rationale and logic used by the SSA can ease the debriefing process. After the SSA has signed the selection decision document, the Contracting Officer may execute and distribute the contract.

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XII. Notification and Debriefing of Unsuccessful Offerors



When a contract is awarded as the result of a source selection, unsuccessful offerors may request a debriefing from the Contracting Officer. During this debriefing the unsuccessful offeror is given the basis for the selection decision. In addition, offerors excluded from the competitive range or otherwise excluded from the competition before award may request either a pre-award or post award debriefing. A debriefing may also be provided to the successful offeror.

Debriefing is advantageous to the Government and the offeror.

Because offerors put considerable resources into preparing and submitting proposals, fairness dictates that they be provided with an explanation of why their proposal was unsuccessful. Early notification that they are unsuccessful will also permit unsuccessful offerors to release the resources that would have been devoted to the contract effort for other work. It is also in the Government's best interest to help offerors avoid mistakes in future submissions by fully informing the offerors of the proposal's shortcomings. These actions reduce costs and encourage the offeror to view the Government marketplace as a worthwhile area to invest its resources, thereby increasing competition.

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XIII. Lessons Learned



Capturing the lessons learned on each source selection and sharing them with others can benefit future source selections. Following contract award, if there are any lessons learned that would benefit the source selection process, these should be provided to DISA/D41 within four weeks after the source selection decision is announced. The information provided should not contain source selection or proprietary information, reference to the specific program involved, and should be

Sharing lessons learned can benefit future source selections.

limited to source selection and planning actions. The submission should describe any pertinent, positive or negative issues such as new approaches or streamlining efforts that may help others learn what worked or didn't work. If the source selection decision is successfully protested and this results in a lesson learned, the input should also address what was learned as a result.

Lessons learned can be submitted by anyone involved in the source selection, (e.g., source selection team member, team leader, Contracting Officer). Lessons learned receive by DISA/D41 will be added to this Deskbook.

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GLOSSARY



Additional terms and acronyms can be found at <http://www.dsmc.dsm.mil/pubs/glossary/preface.htm>.

Amendment - Revisions made to a solicitation.

Bidder's List/Source List - List of prospective contractors.

CDRL – See Contract Data Requirements List DD Form 1423.

Commerce Business Daily (CBD) – Publication of the Department of Commerce in which the government publicizes a potential buy (a "synopsis") to notify interested vendors.

Commercial Item - A commercial item is any item, other than real property, that is of a type customarily used for nongovernment purposes and that has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public; or any item evolved through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a government solicitation. Also included in this definition are services in support of a commercial item, of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standard commercial terms and conditions; this does not include services that are sold based on hourly rates without an established catalog or market price for a specified service performed. A commercial item is any item, other than real property, that is of a type customarily used for nongovernment purposes and that has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public; or any item evolved through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a government solicitation. Also included in this definition are services in support of a commercial item, of a type offered and sold competitively in substantial quantities in the commercial marketplace based on

established catalog or market prices for specific tasks performed under standard commercial terms and conditions; this does not include services that are sold based on hourly rates without an established catalog or market price for a specified service performed.

Commercial Off-The-Shelf (COTS) - Commercial items that require no unique government modifications or maintenance over the life cycle of the product to meet the needs of the procuring agency.

Competition - An acquisition strategy whereby more than one contractor is sought to bid on a service or function; the winner is selected on the basis of criteria established by the activity for whom the work is to be performed. The law and DoD policy require maximum competition throughout the acquisition life cycle.

Competitive Range - Those proposals, which THE Contracting Officer decides have a reasonable chance of receiving the award, both from a technical and cost standpoint.

Contract - An agreement between two or more legally competent parties, in the proper form, on a legal subject matter or purpose and for legal consideration.

Contract Data Requirements List, DD Form 1423 (CDRL) – A list of contract data requirements that are authorized for a specific acquisition and made a part of the contract.

Contract Modification - Any written alterations in the specifications, delivery point, date of delivery, contract or order period, price, quantity, or other provision of an existing contract or order.

Cost-Reimbursement Contract - In general, a category of contracts whose use is based on payment by the government to a contractor of allowable costs as prescribed by the contract. Normally only "best efforts" of the contractor are involved, such as cost, cost sharing, cost-plus-fixed fee (CPFF), cost-plus-incentive fee (CPIF), and cost-plus award fee (CPAF) contracts.

COTS – See Commercial Off-The-Shelf

Data Item Description, DD FORM 1664 (DID) - Describes the format and content of deliverable data.

Firm Fixed-Price Contract - Provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This type of contract places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. Provides maximum incentive for the contractor to control costs, and imposes a minimum administrative burden on the government.

Indefinite-Quantity Contract (IDIQ) - A contract used for procurements in which the exact number of deliverable items is not known at the time of contracting. The contract provides for a minimum and maximum amount of goods/services that may be ordered under the contract.

Invitation for Bid (IFB) - A solicitation document used in sealed bidding.

Labor-Hour Contract - A contract that provides for the procurement of property or services on the basis of direct labor-hours at specified, fixed hourly rates (which include direct and indirect labor, overhead, and profit).

Letter Contract – New procurement action entered into by the government for which contractual terms, specifications, or price are not agreed upon before performance is begun. They await negotiations to definitize prices.

Level-of-Effort Contract - Effort of a general or supportive nature which does not produce definite end products or results, i.e., contract for man-hours.

Market Survey - The collection and analysis of information about the entire market available to satisfy the need.

Modification - See Contract Modification.

Nondevelopmental Item (NDI) - A nondevelopmental item is any previously developed item of supply used exclusively for government purposes by a Federal Agency, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement; any item described above that requires only minor modifications or modifications of the type customarily available in the commercial marketplace in order to meet the requirements of the processing department or agency. A nondevelopmental item is any

previously developed item of supply used exclusively for government purposes by a Federal Agency, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement; any item described above that requires only minor modifications or modifications of the type customarily available in the commercial marketplace in order to meet the requirements of the processing department or agency.

Purchase Request (PR) - A request to a contracting activity to obtain supplies, services, or construction. This is usually accomplished with a, DISA Form 94.

Request for Proposals (RFP) - A solicitation used in negotiated acquisition to communicate government requirements to prospective contractor and to solicit proposals.

Request for Quotations (RFQ) – A solicitation used in negotiated acquisition to communicate government requirements to prospective contractors and to solicit a quotation. A response to an RFQ is not an offer, however, it is informational in character.

Sealed Bidding - Acquisition by competitive IFB. It is highly structured, involves public opening of bids, and does not include any discussions with bidders. This method of procurement requires that specifications be written describing the requirements of the Government clearly, accurately, and completely, so that the evaluation of bids can be based on the lowest bid submitted by a responsive and responsible bidder.

Solicitation – An IFB or RFP.

Specifications (Specs) - A document used in development and procurement which describes the technical requirements for items, materials, and services including the procedures by which it will be determined that the requirements have been met. Specifications may be unique to a specific program (program-peculiar) or they may be common to several applications (general in nature).

Statement of Work (SOW) - That portion of a contract which establishes and defines all nonspecification requirements for contractors efforts either directly or with the use of specific cited documents.

Synopsis - The announcement in the CBD of an impending procurement.

Time-and-Materials Contract - A contract that provides for payment of supplies and services on the basis of incurred direct labor hours (at fixed rates) and materials (at cost).

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Links

D4 Homepage:
contains the following:

- DISA Acquisition Regulation Supplement (DARS): DISA's acquisition-related policy that impacts the Agency.
- DISA Acquisition Circulars (DISA ACs): Revisions to the DARS.
- DISA Acquisition Deskbooks: Acquisition-related procedures that impact the Agency. For example: Collecting and Using Past Performance Information Deskbook.
- Electronic Policy Advisories: EPAs disseminate expedited Letters issued by the Office of the Under Secretary of Defense (Acquisition and Technology), Director of Procurement (OUSD[A&T]/DP) or issue pertinent Agency acquisition advisories. EPAs are not numbered.
- Acquisition-related Current Events
- List of Acquisition Liaisons
- Frequently Asked Questions
- Button Bars that take you to numerous other sites. For example: DISA's Past Performance Tool, FAR/DFARS, Defense Acquisition Deskbook, DOD Publications, DISA contracts, contractor opportunities, etc.

<http://www.disa.mil/d4/conpage.html>

Data Item Descriptions (DIDs):

"Data Item Description Page" and "CDRLs."

The Department of Defense, Defense Standardization Program Office is continuing to populate the ASSIST database with copies of DIDs. Until such time as they are all in ASSIST, you can access many DIDs at the following website: (http://www.acq.osd.mil/sa/se/cm&dm/cmdm_info/dids/dids.html). Once all DIDs are in ASSIST, that website will no longer be maintained and the ASSIST database will be the only official source of DIDs. Information about ASSIST can be found at the following URL (<http://astimage.daps.dla.mil/online/>). Registration is quite simple and many of the DIDs are already loaded in the system.

DISA's Training Homepage:

<https://datahouse.disa.mil/training.html>

DoD Specifications and Standards Homepage:

DoD standardization; key POCs; FAQs; Mil-Spec Reform; newsletters; training; non-government standards; links to related sites.

<http://www.dsp.dla.mil>

Federal Acquisition Jump Station:

Procurement and acquisition servers by contracting activity; CBDNet; Reference Library.

<http://nais.nasa.gov/fedproc/home.html>

Federal Acquisition Virtual Library:

Provides links to numerous other Federal Acquisition Resources on the World Wide Web. For example, FAR, laws, regulations, executive orders, EC, market research, OFPP, Defense Acquisition Deskbook

<http://www-far.npr.gov/References/References.html>

Fedworld Information:

Comprehensive central access point for searching, locating, ordering, and acquiring government and business information.

<http://www.fedworld.gov>

GSA Advantage:

GSA site for products and services.

<http://www.fss.gsa.gov>

Government-Industry Data Exchange Program (GIDEP):

Federally funded co-op of government and industry participants that provides an electronic forum to exchange technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.

<http://www.gidep.corona.navy.mil>

Library of Congress:

Public laws; legislation; vetoed bills; Congressional Internet services.

<http://www.loc.gov>

Market Research:

a. IMART <http://www.imart.org/index.html>

b. DAU <http://www.gsa.gov/staff/v/market.htm>

Source Selection:

a. Air Force's Draft Source Selection Procedures -- establishes procedures for Air Force source selections. Augments FAR Part 15, DFARS Part 215, and AFFARS Part 5315. Contains three chapters, corresponding to the types of Air Force source selections: Chapter 1 (Basic); Chapter 2 (Median); and Chapter 3 (Agency).

<http://www.safaq.hq.af.mil/contracting/policy/sourcesel/>

b. A New Day in the Sun for Source Selection Plans -- an examination of the a recent decision from the United States Court of Federal Claims, United International Investigative Services, Inc. v. United States, 41 Fed.Cl. 312 (1998), that promises new emphasis on source selection plans.

<http://www.attny.com/gcin/gci12981.html>

c. Army Corps of Engineer's Transatlantic Programs Center's Procurement Guide to Best Value Source Selection -- Contains definitions, pertinent authorities, "Lowest Price, Technically Acceptable" procurement methods, sample RFP award formulas, tradeoff statements, evaluation criteria and RFP proposal checklists, sample proposal evaluation guidelines, proposal evaluation plans and worksheets, information on oral presentations, debriefing authorities and sample debriefing summaries, past performance evaluation guidance

<http://www.tac.usace.army.mil/contracts/source.html>

d. Army Materiel Command's Source Selection Guide

http://www.amc.army.mil/amc/rda/rda-ap/ssrc/ssp_toc.htm

e. Marine Corps' Best Value Source Selection Handbook -- provides guidance and assistance to MARCORSYSCOM acquisition personnel in understanding the procedures of the source selection process for competitively negotiated acquisitions where the selection is made using "Best Value."

<http://web.deskbook.osd.mil/reflib/DMARINE/0056H/001/0056H001DOC.HTM#T2>

f. Navy's NAVSUPINST 4200.79D; Competitive Source Selection Using Best Value Procedures -- Establishes procedures and responsibilities concerning the evaluation and selection of sources for competitive, best value, acquisitions. Provides guidance on best value procedures for less-than-major systems acquisitions.

<http://web.deskbook.osd.mil/reflib/DNAVY/0034I/001/0034I001D/OC.HTM#T2>

g. Source Selection Material or Post Hoc Rationalization? – contrasts recent decisions of the United States Court of Federal Claims with recent GAO decisions, on how post-protest explanations are received as proper evidence of incomplete agency records or a proper preaward determination, or as post hoc rationalizations. <http://www.attny.com/gci08973.html>

Office of Under Secretary of Defense for Acquisition and Technology:
A library of Defense acquisition and technology documents and jump points to many other valuable sites.

<http://www.acq.osd.mil/>

Small Disadvantaged Business and 8(a) Firms:

Used to locate small businesses using the Standard Industrial Codes and various other identifiers including the company's name.

<http://pro-net.sba.gov/pro-net/search.html>

Standard Industrial Codes:

Product numbers for supplies & services.

<http://www.sba.gov/regulations/siccodes/>

Year 2000 - Meeting the Challenge:

Provides POCs, policy, management plans, compliance, DISA Checklist, best practices, etc.

<http://www.disa.mil/cio/y2k/cioosd.html>

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ATTACHMENT



Rules of Engagement for Source Selection at DISA

Source Selection Authority (SSA).

On 21 April 1999, the DISA Senior Procurement Executive (SPE), in accordance with FAR Part 15.303(a), designated Mr. Thomas F. Thoma, Deputy Director for Acquisition, Logistics, and Facilities, as the SSA for all competitive DISA acquisitions over \$10M, with some exceptions (reference a). In general the SSA is responsible for the proper and efficient conduct of the entire source selection process and has the full authority to make the select the source or sources offering the best value to the government. Specifically, the SSA will:

1. Endorse the Acquisition Plan to the Senior Procurement Official (SPE) for approval.
2. Review and approve the Source Selection Plan (SSP) and Sections L and M of the RFP *before* the RFP is issued to ensure consistency among solicitation requirements, notices to offerors, proposal preparation instructions, evaluation factors and subfactors, solicitation provisions or contract clauses, and data requirements.
3. Appoint (in writing) the Source Selection Advisory Council (SSAC) Chairperson and approve (in writing) the SSAC membership nominated by the SSAC Chairperson. The SSAC Chairperson or the Contracting Officer will prepare the appointment/approval memorandum(s).
4. Approve (in writing) the Chairperson(s) of subordinate evaluation boards such as (but not limited to), Source Selection Evaluation Board (SSEB), Past Performance Board (PPB), and Performance Risk Assessment Group (PRAG). The SSAC Chairperson or the Contracting Officer will prepare the appointment memorandum(s).
5. Review and consider recommendations in the SSAC report.
6. Make the final selection decision of the offeror whose proposal is the best value to the Government and ensure the Source Selection Decision Document (SSDD) addresses the rationale for the decision. The SSA may reject all proposals received in response to a solicitation if doing so is in the best interest of the Government.

Configuration Management: The SSA shall maintain a copy of

the SSP (and all revisions) and the RFP (and all amendments thereto). These documents shall be considered as the master copy and shall be used for the source selection evaluation. These copies shall be the same as those kept by the Contracting Officer as part of the contract file.

SSAC.

The SSAC functions as an advisor to the SSA for the source selection process and the comparative analysis of the evaluation results. The SSAC Chairperson is responsible for the proper and efficient operation of the SSAC in its advisory role. Specifically, the SSAC Chairperson will:

1. Appoint (in writing) SSAC members, subject to approval of the SSA.
2. Appoint (in writing) the Chairperson(s) of subordinate evaluation boards such as (but not limited to), the SSEB, the PPB, and the PRAG, subject to approval by the SSA.
3. Approve the membership of subordinate evaluation boards such as (but not limited to), the SSEB, the PPB, and the PRAG.
4. Plan and coordinate the times and dates for key SSA and SSAC meetings.
5. Convene and Chair the SSAC meetings.
6. Ensure the SSAC report is prepared and forwarded to the SSA. The SSAC report should include a summary of each proposal in the competitive range, with comparative analyses of both cost and non-cost factors; a discussion of the overall impact of significant risks associated with each proposal in the competitive range; and a summary of issues that are considered significant to the SSA's decision. If requested by the SSA, a selection recommendation will be included.

Program Manager (PM)/Acquisition Manager (AM).

The PM/AM is the sponsor of the acquisition requirement and is frequently the SSAC Chairperson. Specifically, the PM is will:

1. Articulate the requirement in the acquisition package.
2. Prepare and coordinate the acquisition package including, but not limited to:

- SSA appointment memorandum
 - Acquisition Plan (AP) and convening AP IPT
 - Statement of Work (SOW), Specification (Spec), or Statement of Objectives (SOO)
 - Assist the Contracting Officer in developing the Request for Proposals (RFP)
 - Source Selection Plan (SSP)
 - Independent Government Cost Estimate (IGCE)
3. Perform market research
 - Look at existing contract vehicles within the DISA enterprise, DOD enterprise, and Federal
 - Use other market research tools
 - Look for opportunities for small businesses

Contracting Officer.

The Contracting Officer has the authority to enter into, administer, or terminate contracts. The Contracting Officer is responsible for ensuring performance of all necessary actions for effective contracting. The Contracting Officer will:

1. Prepare solicitations, ensuring that all clauses required by law, regulation, or Agency requirements are included; Section L instructions to guide offerors in preparing proposals, including proposal organization and format; and Section M information identifying all significant factors and subfactors that will be considered in awarding a contract and their relative importance.
2. Issue solicitations to potential sources.
3. Amend solicitations, if required.
4. Serve as the focal point for inquiries from actual or prospective offerors after release of solicitation.
5. Control exchanges with offerors after receipt of proposals.
6. Ensure that offerors receive impartial, fair and equitable treatment.
7. The Contracting Officer shall maintain a copy of the SSP (and all revisions) and the RFP (and all amendments thereto) as part of the contract file. These documents must be the same as those maintained by the SSA.
8. Award the contract(s).

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