



NAVAIR SOURCE SELECTION PROCESS OVERVIEW

Presented to:

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Breakout Session Goals

- Overview of source selection methods for acquisitions of varying complexity and dollar value
- Relationship between acquisition planning and choosing the source selection process
- Overview of the NAVAIR Source Selection process using Best Value/Tradeoff Process
- Review policy changes and focus areas

DISCLAIMER: this information is provided for general information only and is subject to change. Terms & Conditions of each specific solicitation take precedence!



What Is Source Selection?



This IS NOT how we do it!
and
It's not always low price!



Source Selection Objectives

- To choose the contractor whose proposal provides the best value to the Government, all factors considered, e.g.,
 - Meets contract delivery/schedule requirements
 - Meets or exceeds technical requirements
 - Realistic proposed cost or reasonable price
- Conduct a fair, thorough, well-documented source selection
 - Minimize the risk of a protest; maximize probability of withstanding a protest
- Most RFPs state intent to award without discussions but reserve the right to conduct discussions if necessary



The Best Value Continuum

← Greater Importance of Price Lesser →

Lesser

Technical Complexity

Greater

FAR Part 8, 12 and 13

FAR Part 14

FAR Part 15

Lowest Price

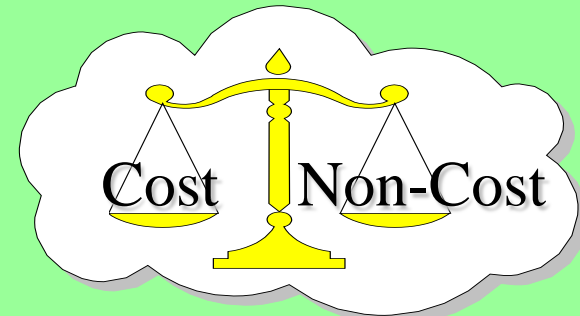


Low-Price/
Technically Acceptable
(LPTA)



Low Price

Tradeoff between
Cost/Price and Other
Factors
(Best Value)





Source Selection Processes & Techniques

- **Lowest Price Technically Acceptable (FAR 15.101-2)**
 - Evaluation factors and significant subfactors that establish acceptability specified in RFP
 - Past Performance may be considered, but no comparative assessment
 - Proposals evaluated for acceptability but not ranked using the non-cost/price factors
 - Tradeoffs are not permitted
 - Exchanges with offerors may occur
 - Award based on lowest price to a technically acceptable, responsible offeror

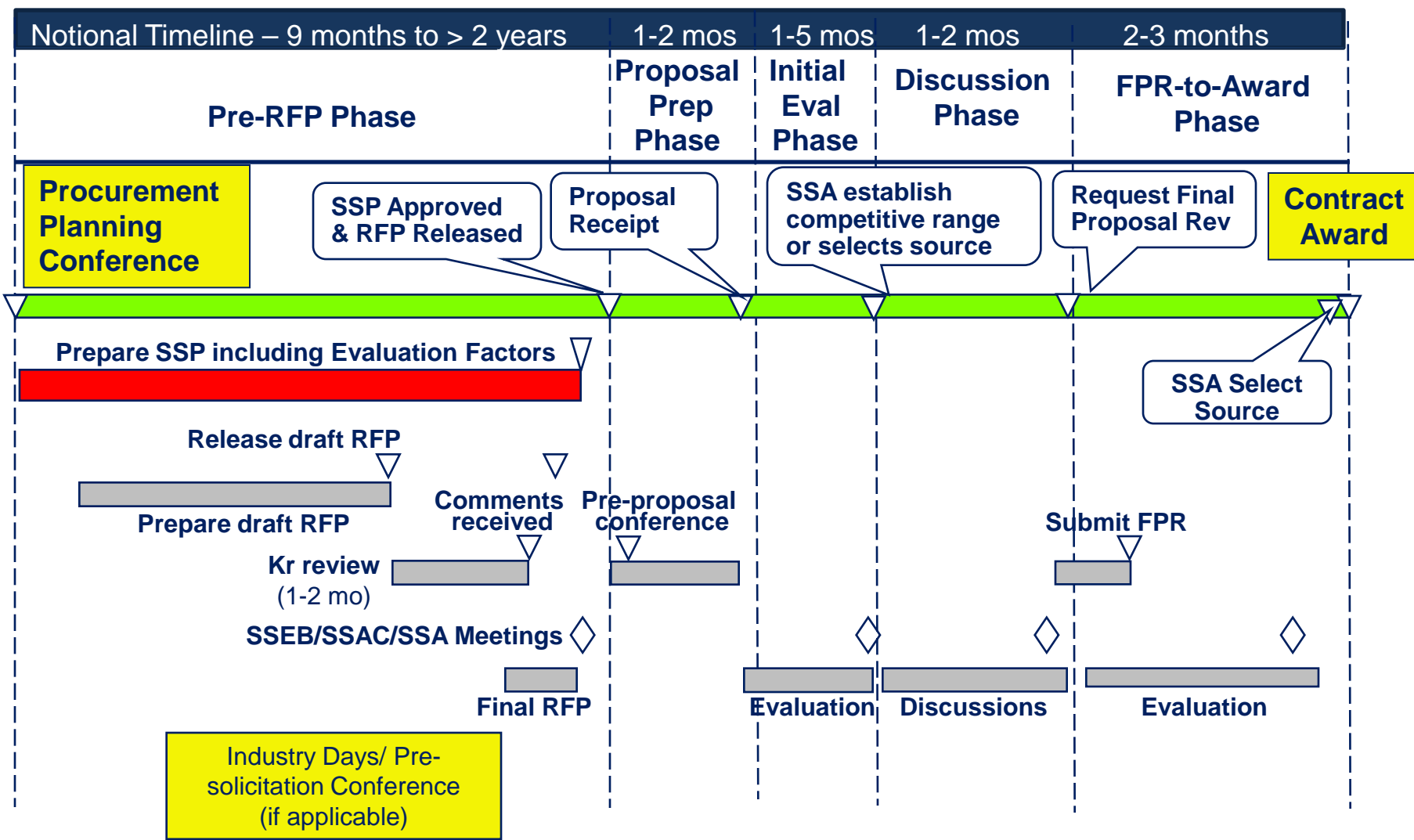


Source Selection Processes & Techniques

- Tradeoff Process (aka Best Value)
 - Permits tradeoffs among cost or price and non-cost factors
 - Allows the Government to award to other than lowest priced offeror or other than the highest technically rated offeror.
 - Typical non-cost factors:
 - Technical
 - Personnel
 - Quality
 - Small Business Utilization Strategy if >\$650K & not Set Aside (DFARS 215.304)
 - Corporate Experience
 - Management
 - Past Performance
 - Price/Cost
 - If Cost Reimbursable typically includes Cost Realism evaluation

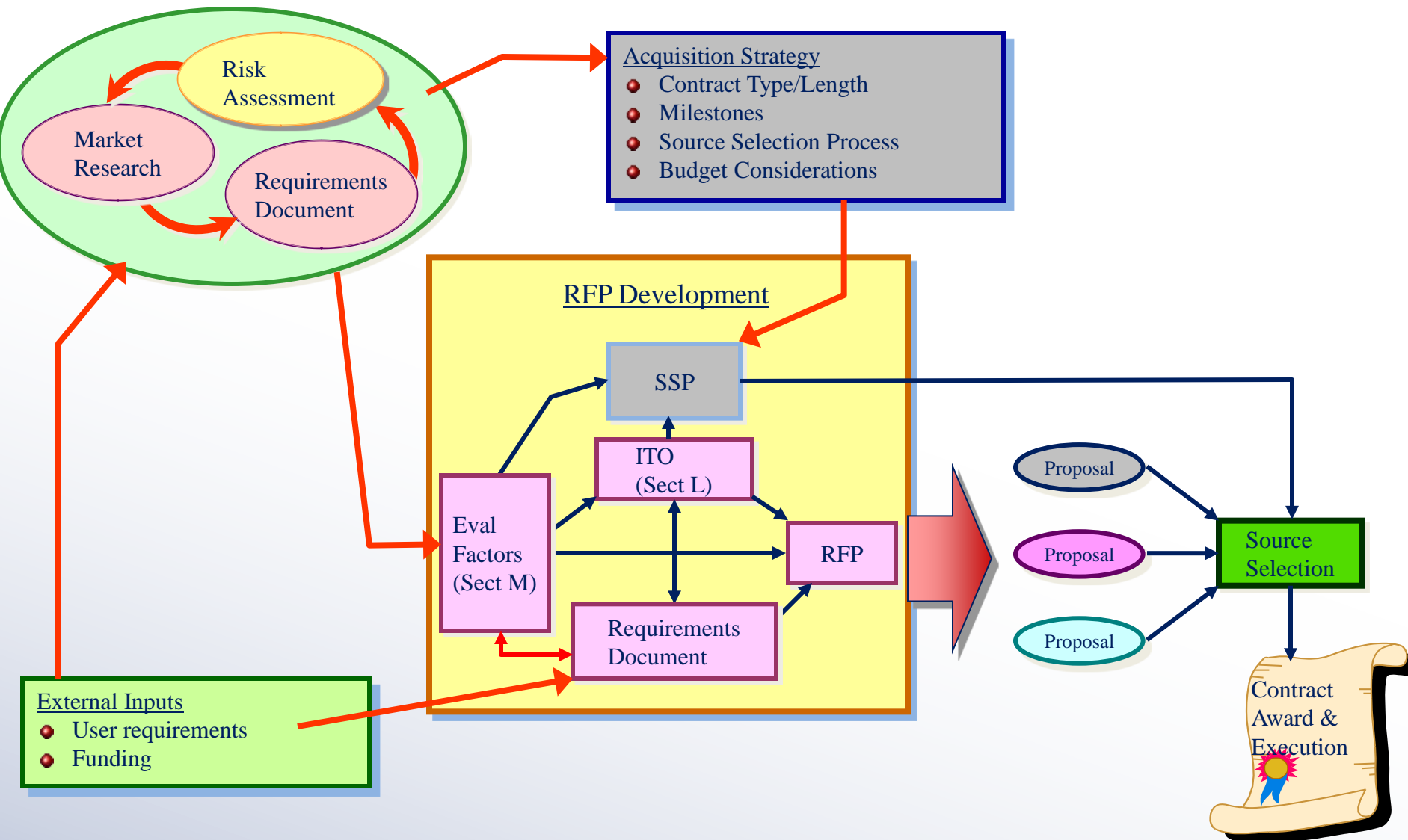


Generic Source Selection Process



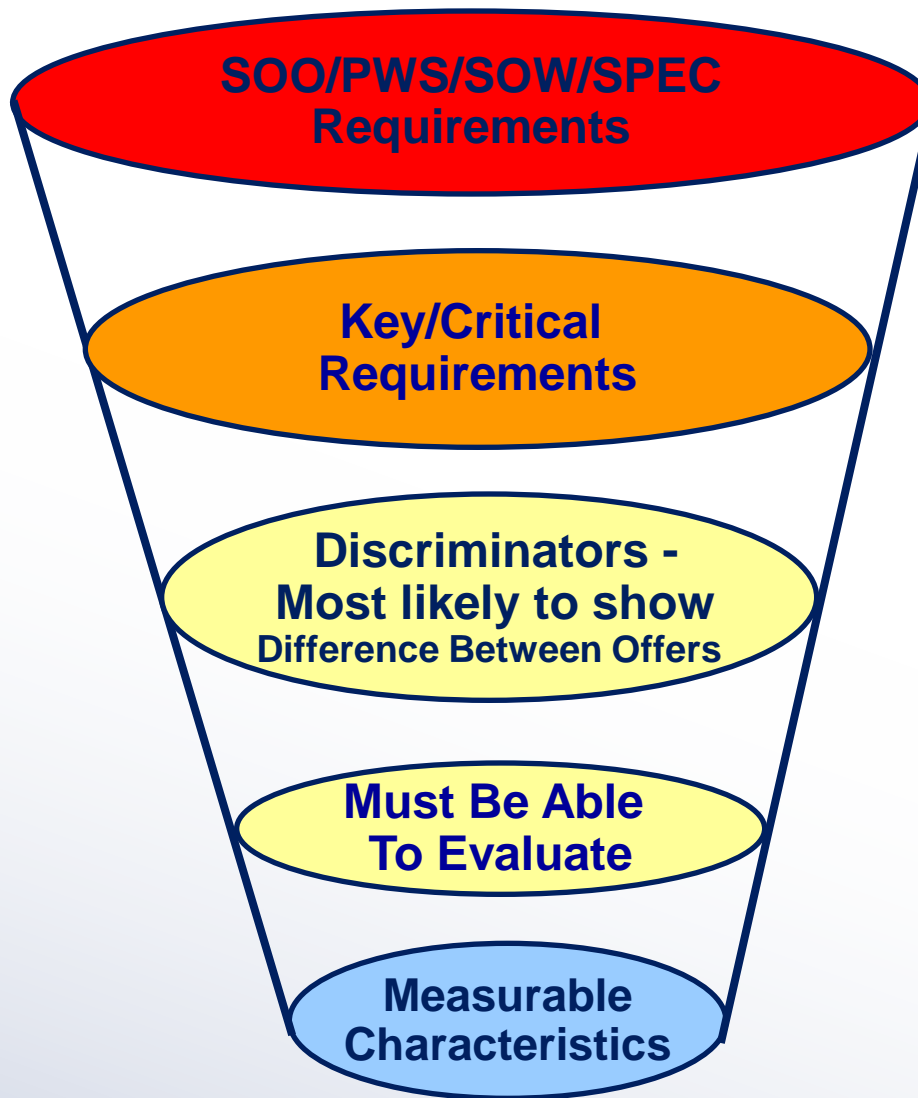


Source Selection Activities



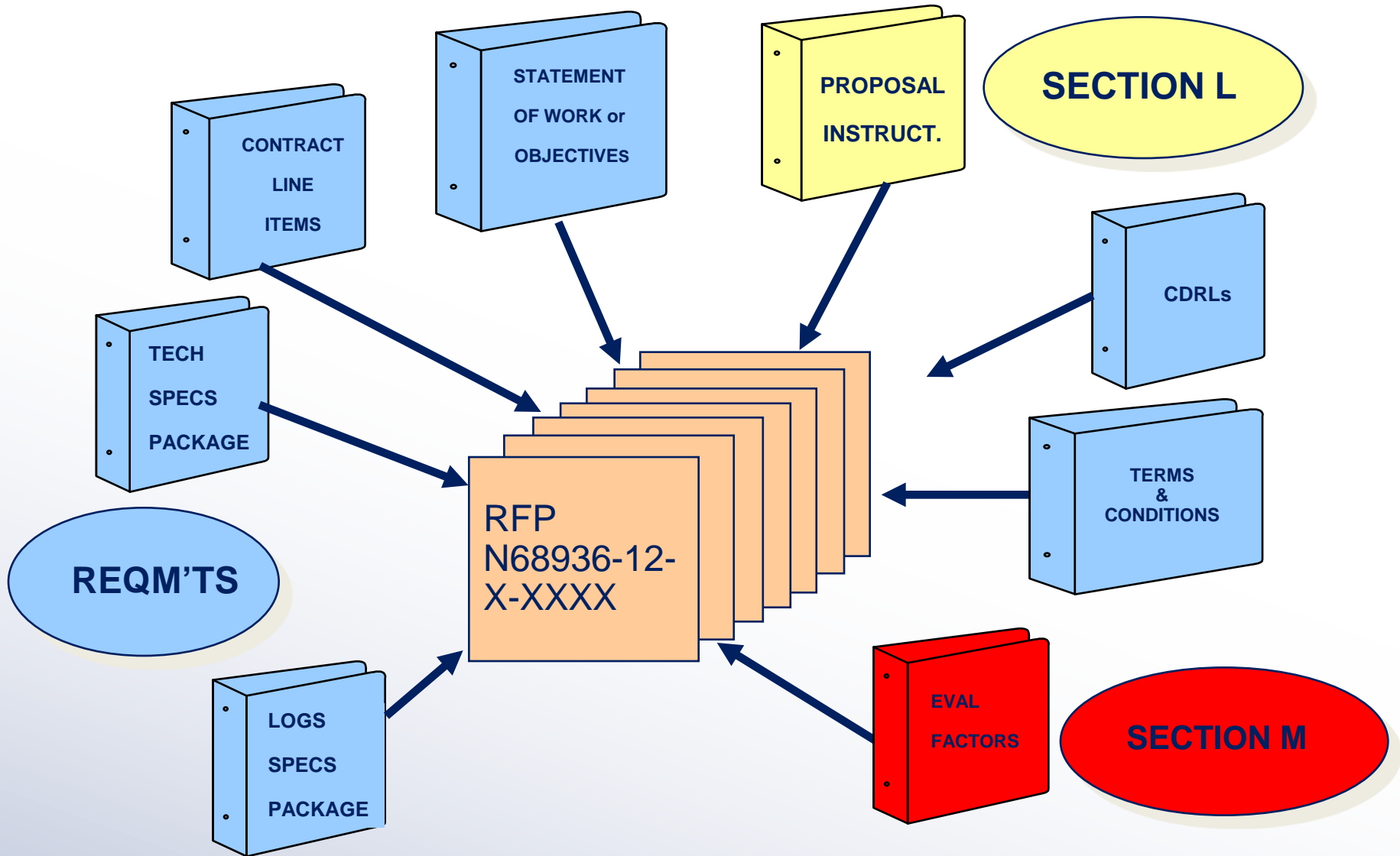


Evolution of Specific Factors



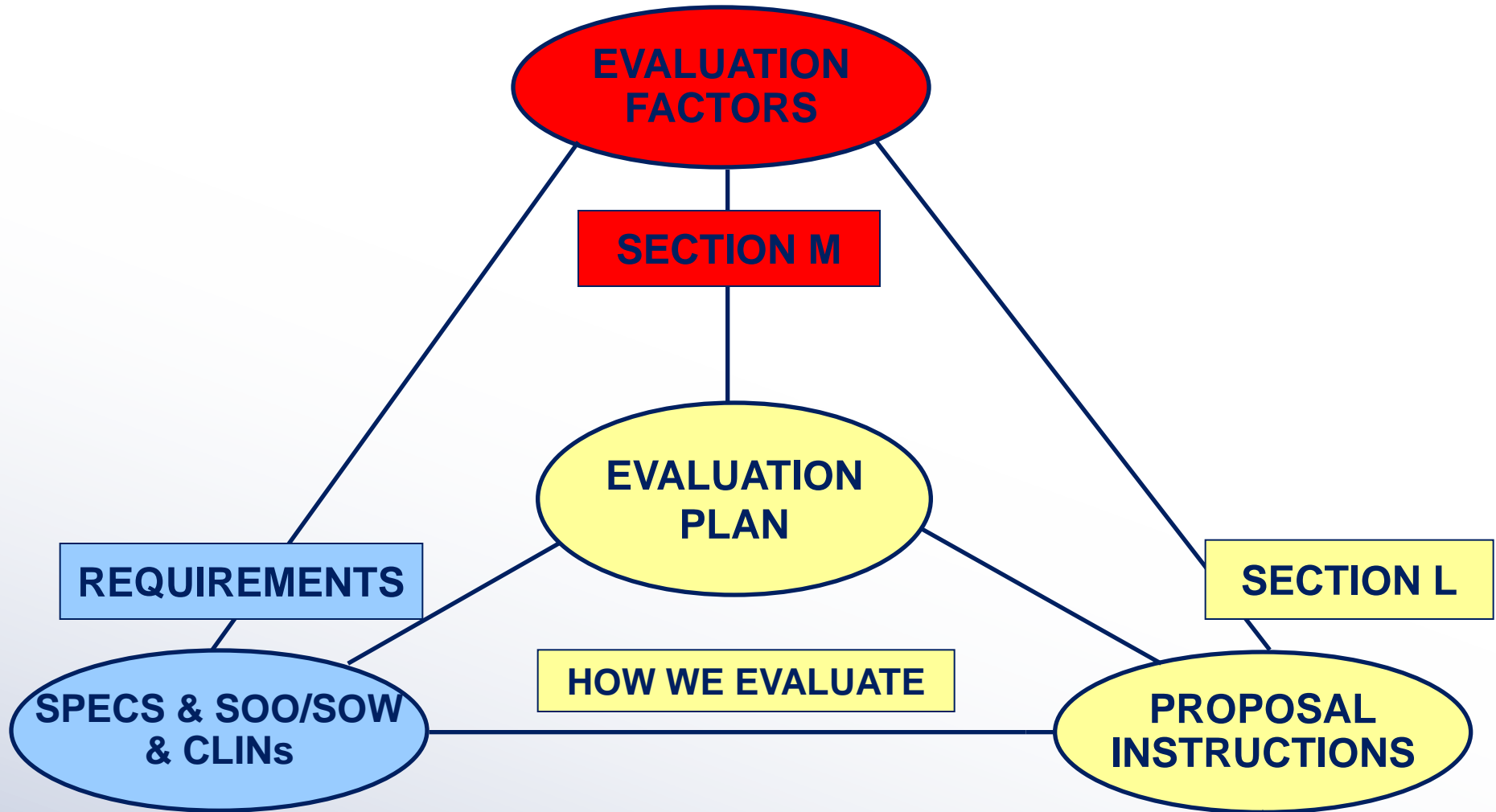


Request For Proposals



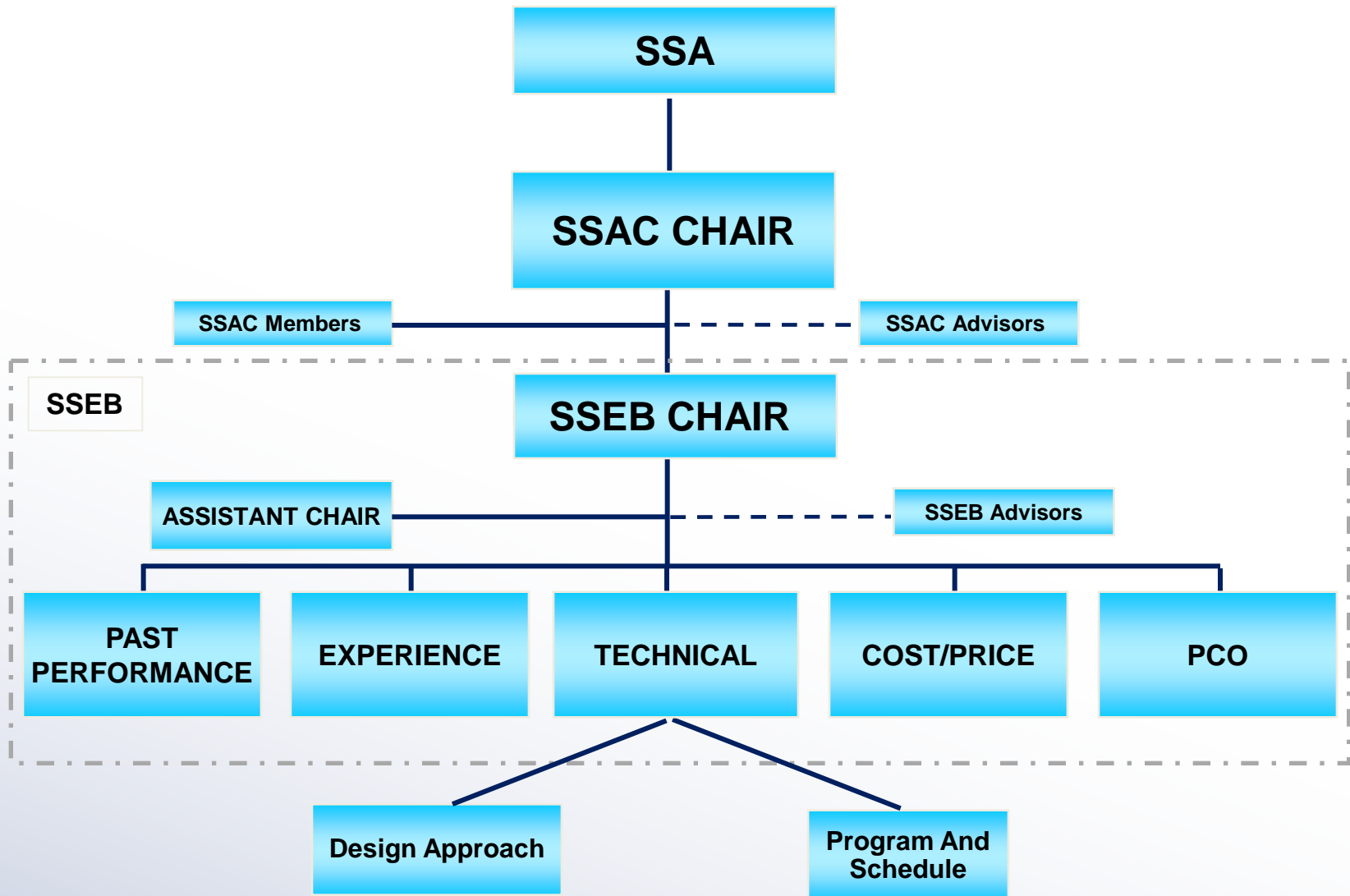


RFP Development - Document Linkage





Notional Source Selection Organization



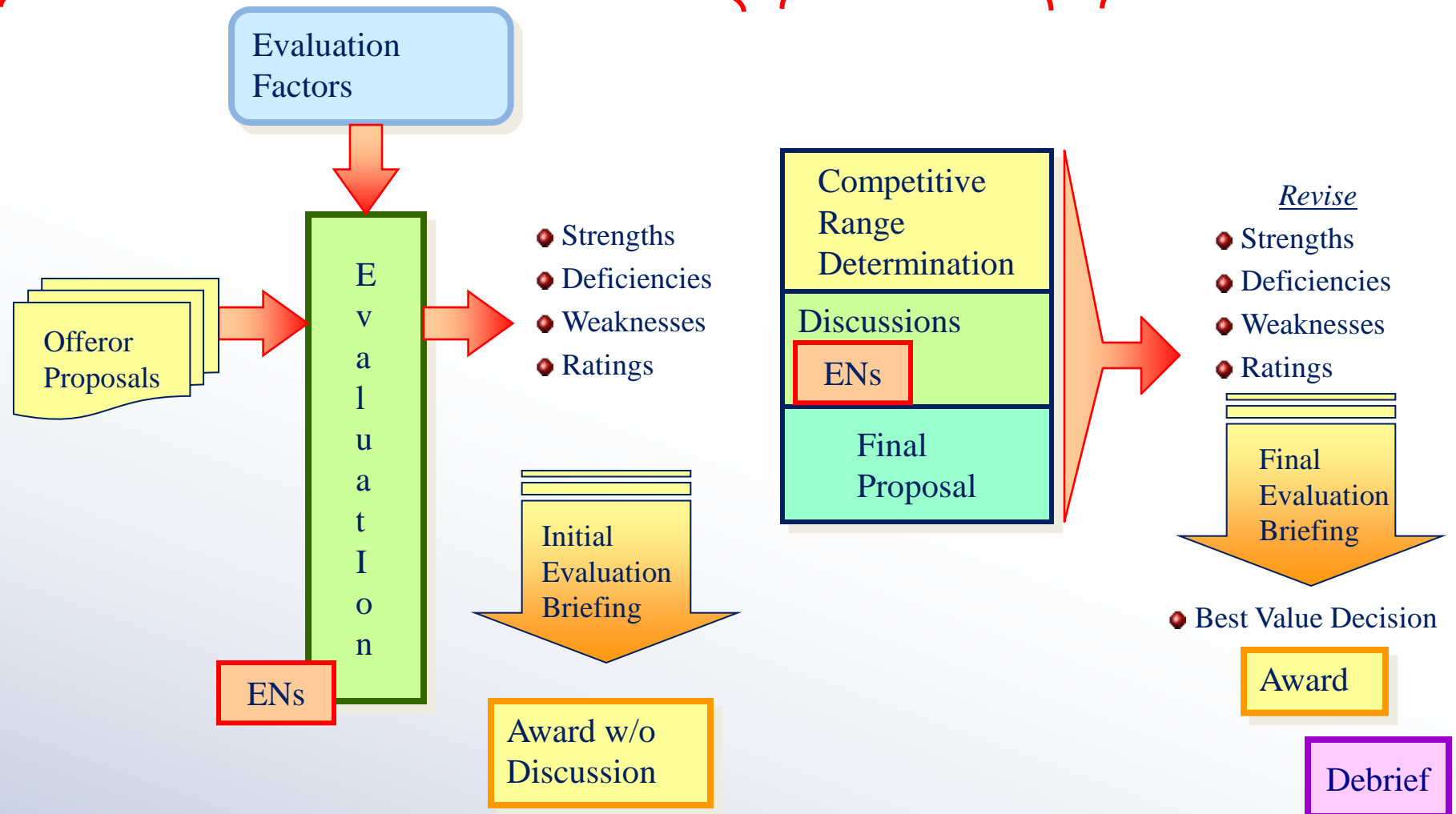


Tradeoff Evaluation Process

Initial Evaluation

Discussions

Final Evaluation





Ratings/Risk

- **Proposal rating:** depicts how well the proposal will meet the solicitation requirements
- **Proposal risk rating:** addresses potential impacts of the proposed approach on performance, schedule, and price in achieving solicitation requirements and program objectives
- **Past Performance Relevance rating:** addresses scope and magnitude of present/past performance
- **Performance Confidence Assessment rating:** addresses the Government's confidence that the offeror will successfully perform the solicitation's requirements based on the offeror's (including subcontractors' and/or team members') relevant past performance and systemic improvement, or demonstrated experience
 - **Past Performance :** evaluates how well an offeror has performed similar work before
 - **Experience:** evaluates whether, and to what extent, an offeror has performed similar work before.



Other Definitions

- **Strength**
 - An aspect of an Offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance
- **Weakness (FAR 15.001)**
 - “A flaw in the proposal that increases the risk of unsuccessful contract performance
- **Significant Weakness (FAR 15.001)**
 - A flaw that appreciably increases the risk of unsuccessful contract performance
- **Deficiency (FAR 15.001)**
 - A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level



Specific Factor Considerations

- Unrestricted solicitations >\$650K must evaluate history of small business participation
 - FAR 15.304(c)(3)(ii) and DFARS 215.305(a)(2)
- Price/Cost Reasonableness
 - May be determined based on Adequate Price Competition
 - May require additional data and analysis
- Cost Realism
 - Cost Type Contracts:
 - Independent review of proposed cost elements to determine costs are realistic and consistent with work described in proposal
 - Results of analysis used to determine evaluated/probable cost for each Offeror
 - Unrealistically low costs or inconsistencies may affect proposal ratings or risk
 - Evaluated/probable cost used for tradeoff analysis and award decision
 - Proposal Risk is assessed for Fixed Price Contracts



Types Of Communications

Clarifications*

as needed with Award w/o Discussions (AWOD)

- Adverse past performance info (PPI)
- PPI relevance
- Resolve minor or clerical errors

Communications*

to determine Competitive Range (CR) before discussions -

Shall be held if

- Adverse PPI is determining factor in exclusion

If inclusion or exclusion in CR uncertain, to:

- Enhance Gov't understanding
- Allow reasonable interpretation
- Facilitate Gov't evaluation process
- Address ambiguities, perceived weaknesses, errors, omissions or mistakes

Negotiations / Discussions

- Conducted with offerors in the competitive range
- Goal is to get best value
- Discuss uncertainties, significant weaknesses, deficiencies, and other aspects of the proposal to enhance award
- Discuss efforts above mandatory minimums

*FAR 15.306 - Neither clarifications nor communications allow for an opportunity for proposal revision.



Discussions

- Discussions with all offerors in the competitive range
- Telephonic and/or face to face discussions if necessary
- Resolve Evaluation Notices
 - Must discuss
 - Significant weaknesses, uncertainties, deficiencies
 - Adverse past performance information not previously known to offeror
 - Other aspects to enhance award potential
- Proposal revisions form baseline for final evaluation

FAR 1.102-2(c)(3): “The Government shall exercise discretion, use sound business judgment, and comply with applicable laws and regulations in dealing with contractors and prospective contractors. **All contractors and prospective contractors shall be treated fairly and impartially, but need not be treated the same.**”



Final Proposal Revision

- After discussions offerors are requested to submit final proposal revision (FPR)
- Request for FPR includes the model contract
 - Technical baseline
 - Terms and conditions
 - Business arrangement
- Offeror will price final negotiated agreement
- Contracting Officer establishes a common cutoff date for FPR submission
 - No further discussions after cutoff date
- Evaluators review the final proposal revisions
 - Focus on changes to original proposal
 - Revise evaluation documentation to reflect FPR

All changes should be traceable to original proposal



Final Evaluation & SSA Decision

- Final Evaluation Documentation
 - Contains final evaluation results
 - Evaluation team makes an award recommendation to SSA
- Documentation must include the integrated assessment of
 - Cost/Price
 - Performance Confidence
 - Proposal ratings for each factor and subfactor (if separately rated)
 - Proposal risk ratings for each factor and subfactor (if separately rated)
- SSA makes independent decision based on analysis



Post-Award Phase

- Debriefs (FAR 15.506(d)) include
 - Weaknesses and Deficiencies of debriefed offeror
 - Overall cost/price and ratings of winner and debriefed offeror
 - Past performance info on debriefed offeror
 - Overall ranking if established
 - Summary of rationale for award
 - Reasonable responses to relevant questions about whether procedures were followed



Policy Changes

- “Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending”
- “Improving Competition in Defense Procurements”
 - Where only one offer is received, no more reliance on adequate competition based on expectation of competition or price analysis.
 - If < 30 day response time for solicitations and only one offer received, must re-solicit for a minimum of an additional 30 days
 - If > 30 days, or re-solicited, and only one offer is received, the PCO SHALL open negotiations with the sole offeror
 - Basis of negotiations shall be certified cost or pricing data or other than certified cost or pricing data, as determined appropriate by the PCO.
- Parity among all the small business programs i.e. there is no order of precedence among the 8(a), HUBZone, SDVOSB or WOSB programs (FAR 19.203 & 8.405-5 for GSA)



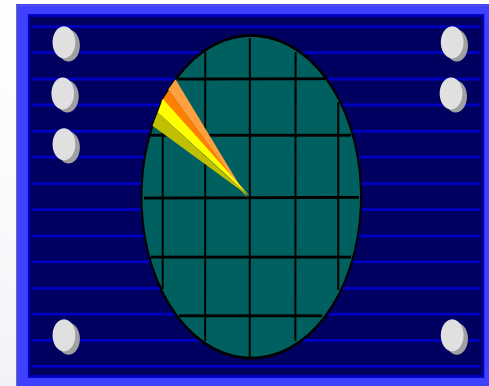
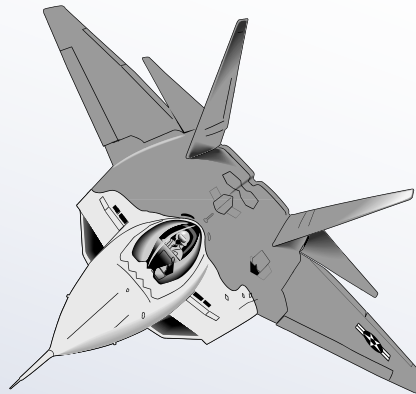
Focus Areas

- Increased use of Small Business (SB) Concerns
 - Focus on SB opportunity during Acquisition Planning
 - Orders under Federal Supply Schedules
 - IDIQ Multiple Award Contracts
 - Use 8(a) Sole Source authority
 - Avoid consolidation or bundling unless mission essential
 - Subcontracting for ACAT I and II programs and transition of SBIR/STTR technologies
- Services Contracts:
 - Reduction in the amount of contracted services
 - Reduction in cost of services; focus on burdened labor rates greater than equivalent Government rates
 - Improved administration of service contracts
- No fee on travel cost in cost-reimbursable contracts
- “Pass-through” rates; expect limitations similar to Seaport-e



Summary

- Each Source Selection is unique
- Source Selection is a subjective process
- Evaluation must be fair, consistent, follow stated procedures, and be well-documented
- The purpose of Source Selection is to select the offer which is the **BEST VALUE** for the Government, all factors considered, to provide best value products and services to the customer





BACK-UPS



FAR Part 12 Commercial Items

- Use competition methods in FAR Parts 13, 14, or 15
 - Choose method appropriate for the requirement
- Emphasizes market research before solicitation
 - Maximize sources available for competition
- Allows less complex solicitation
 - Less detail in solicitation format and content
 - Simpler Instructions to Offerors & Evaluation Criteria
 - Encourages clear, performance-based item descriptions
 - 12.603 permits combination of synopsis and solicitation
- FFP or FFP with Economic Price Adjustment contracts



FAR Part 13 Solicitations

- Purchases under Simplified Acquisition Threshold
 - Under \$150K
 - Set Aside for Small Business unless justified & approved
 - Exempt from FAR Part 6 Competition requirements
- Solicitations can be oral or written
- Solicitation must state basis for evaluation
 - Award typically based on lowest Price
 - May include price and other factors (e.g. past performance)
- Formal evaluation plans, discussions, competitive range determinations not required
- Test Program – Simplified Acquisition Procedures for Commercial Item up to \$5.5M was NOT extended as of JAN 2012



FAR Part 15 Source Selection

- Competitive negotiated acquisitions
- Source Selection Procedures are addressed in
 - FAR Part 15 - Contracting by Negotiation
- FAR Part 15.002(b) - Competitive procedures are intended to:
 - Minimize complexity of the solicitation, evaluation and the source selection decision
 - Foster an impartial and comprehensive proposal evaluation
 - Lead to selection of the proposal representing the best value to the Government



Technical

- Technical Rating Definitions -

Technical Ratings: The rating assignments reflect the Government's assessment of the offeror's technical solution for meeting the Government's requirement.

Rating		Description
Blue	Outstanding	Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. The proposal contains multiple strengths and no deficiencies.
Purple	Good	Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains at least one strength and no deficiencies.
Green	Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Proposal has no strengths or deficiencies.
Yellow	Marginal	Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements.
Red	Unacceptable	Proposal does not meet requirements and contains one or more deficiencies and is unawardable.



Technical

- Technical Risk Definitions -

Technical Risk Ratings: The risk rating assignments reflect the Government's assessment of the potential for disruption of schedule, increased costs, degradation of performance, the need for increased Government oversight, or the likelihood of unsuccessful contract performance.

Rating	Description
Low	Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Can potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.
High	Is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties, even with special contractor emphasis and close Government monitoring.



Past Performance

- Relevance Ratings -

- Past Performance will be rated based on relevance
- Solicitations may include additional rating definitions:

Past Performance Relevancy Ratings	
Rating	Definition
Very Relevant	Present/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.
Relevant	Present/past performance effort involved much of the magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Present/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires.
Not Relevant	Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.



Performance Confidence Assessment Rating - Confidence Definitions -

Performance Confidence Assessment rating assignments reflect the Government's confidence that the Offeror will successfully perform the solicitation's requirements based on the Offeror's past performance and Corporate Experience (if applicable)

Rating	Description
Substantial Confidence	Based on the Offeror's recent/relevant performance record, the Government has a high expectation that the Offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the Offeror's recent/relevant performance record, the Government has a reasonable expectation that the Offeror will successfully perform the required effort.
Limited Confidence	Based on the Offeror's recent/relevant performance record, the Government has a low expectation that the Offeror will successfully perform the required effort.
No Confidence	Based on the Offeror's recent/relevant performance record, the Government has no expectation that the Offeror will be able to successfully perform the required effort.
Unknown Confidence (Neutral)	No recent/relevant performance record is available or the Offeror's performance record is rating can be so sparse that no meaningful confidence assessment rating can be reasonably assigned.



Corporate Experience

- Confidence Definitions -

*Corporate Experience Confidence Assessment Rating: Confidence Assessment rating assignments reflect the Government's confidence that the Offeror will successfully perform the solicitation's requirements based on the Offeror's previous experience.

Rating	Description
Substantial Confidence	Based on the Offeror's recent/relevant experience record, the Government has a high expectation that the Offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the Offeror's recent/relevant experience record, the Government has a reasonable expectation that the Offeror will successfully perform the required effort.
Limited Confidence	Based on the Offeror's recent/relevant experience record, the Government has a low expectation that the Offeror will successfully perform the required effort.
No Confidence	Based on the Offeror's recent/relevant experience record, the Government has no expectation that the Offeror will be able to successfully perform the required effort.

* waiver approved 7 October 2011 by Defense Procurement & Acquisition Policy (DPAP)