



TACOM

Life Cycle Management Command



Preparing Your Proposal to Win More Contracts – The Source Selection Trade- Off Process



12th Annual Small
Business Conference



Mr. Robert Spitzbarth
AMSTA-AQ-HML
Acquisition Assistance Office

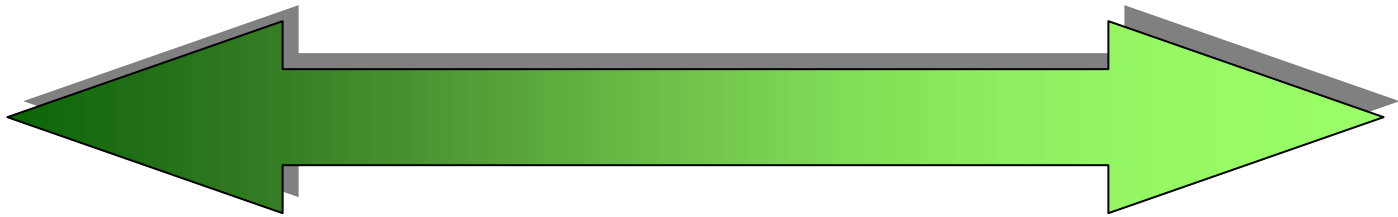
13 November 2008

Committed to Excellence — Supporting America's Warfighters

Best Value Continuum – FAR 15.101

**Sealed Bidding/
Negotiated**

Negotiated



Low Price

**Technically Acceptable,
Lowest Price**

**Source
Selection
Tradeoff
Process**

**Best Value: The Expected Outcome
of an Acquisition that, in the
Government's Estimation, Provides
the Greatest Overall Benefit in
Response to the Requirement**
- Army Source
Selection Manual

The Source Selection Trade-off Process (FAR Part 15)

- **A Process**
- **Used in Competitive Negotiated Contracting**
- **To Select the Most Advantageous Offer**
- **By Evaluating and Comparing Factors in Addition to Cost or Price**

FAR 15.101-1(c): The Trade-Off Process “Permits Trade-offs among Cost or Price and non-Cost Factors and Allows the Government to Accept other than the Lowest Priced Proposal.”

Reading Your RFP – Request for Proposal Sections (Uniform Contract Format)

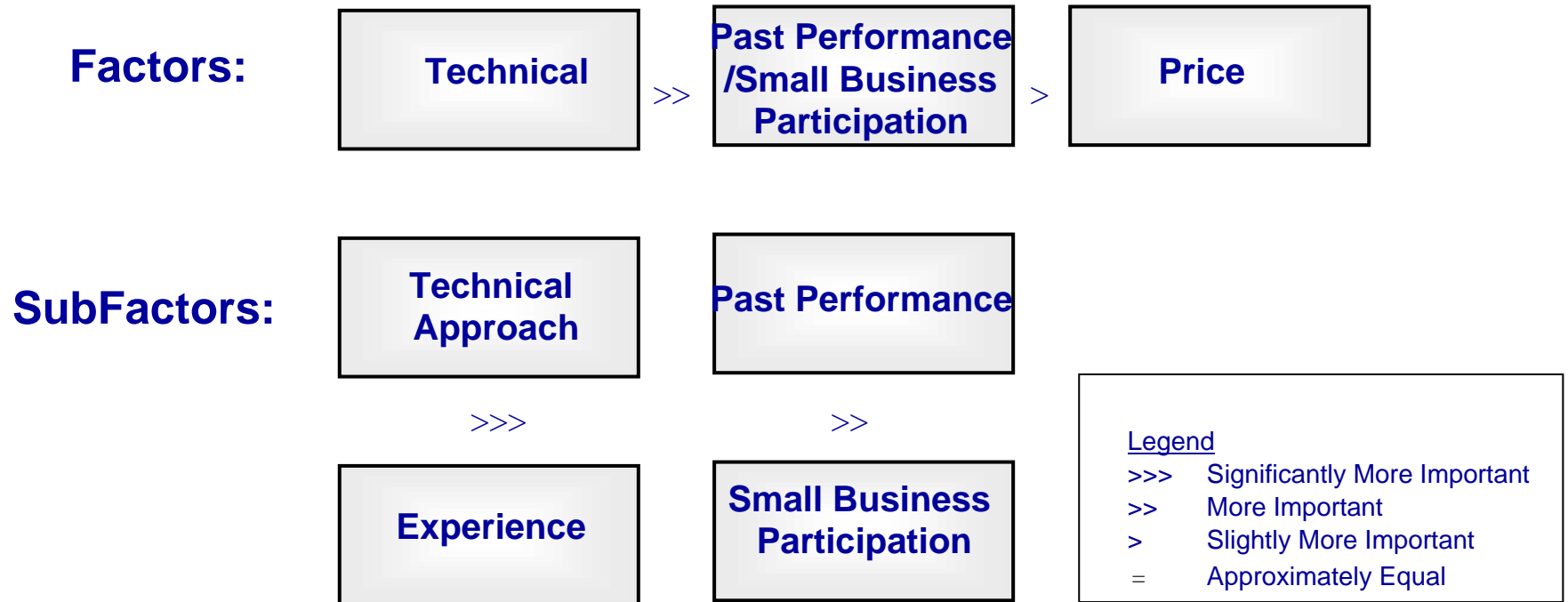
- A** Solicitation/Contract Form
- B** Supplies or Services and Prices/Costs
- C*** *Description/Specifications/Work Statement*
- D** Packaging and Marking
- E** Inspection and Acceptance
- F*** *Deliveries or Performance*
- G** Contract Administration Data
- H*** *Special Contract Requirements*
- I** Contract Clauses
- J** List of Attachments
- K** Representations, Certifications, and Other Statements of Offerors
- L*** *Instructions, Conditions, and Notices to Offerors (Includes Proposal Preparation Instructions)*
- M*** *Evaluation Factors for Award (Identifies Basis of Award)**

***EVERY COMPETITIVE SOLICITATION HAS AN “EVALUATION FACTORS FOR AWARD” SECTION ESTABLISHING THE “BASIS OF AWARD” – (RFP SECTION M IN THE UNIFORM CONTRACT FORMAT (UCF))**

Reading Your RFP Proposal Preparation Roadmap –

Basis of Award & Evaluation Criteria Relative Order of Importance

M.1 Basis of Award: The Government plans to award a single contract for the Fighting Trailer System subject to the provisions contained herein. The evaluation of proposals submitted in response to this solicitation shall be conducted on a source selection basis utilizing a "tradeoff" process to obtain the best value to the Government. The Government will weigh the evaluated proposal (other than the Price Area) against the evaluated price to the Government. As part of the tradeoff determination, the relative strengths, weaknesses and risks of each proposal shall be considered in selecting the offer that is most advantageous and represents the best overall value to the Government.



PROPOSAL EVALUATION OF PROPOSAL RISK vs. PERFORMANCE RISK

- **Proposal Risk vs. Performance Risk**
 - **Proposal Risk: Risks Associated with the Offeror's Proposed Approach in Meeting the Requirements of the Solicitation.**
 - **Performance Risk: Risks Associated with an Offeror's Likelihood of Success in Performing the Solicitation's Requirements as Indicated by that Offeror's Record of Current or Past Performance**

**Source - Army Source
Selection Manual**

Sample RFP Crosswalk

Factor: Technical
Sub-Factor: Technical Approach

Sample RFP Crosswalk

Section C Requirements

See RFP Section C and Applicable Purchase Description (PD) Paragraphs

- Corrosion Control: 20 years IAW PD Para 3.2.1
- Carrying Capacity: 7 Tons IAW PD Para 3.2.2
- Ground Clearance: 24 inches IAW PD Para 3.2.3
- Trailer Weight & Width: IAW PD Para 3.2.4
- Federal Vehicle Trailer Certification

RFP Section L Proposal Preparation Instructions

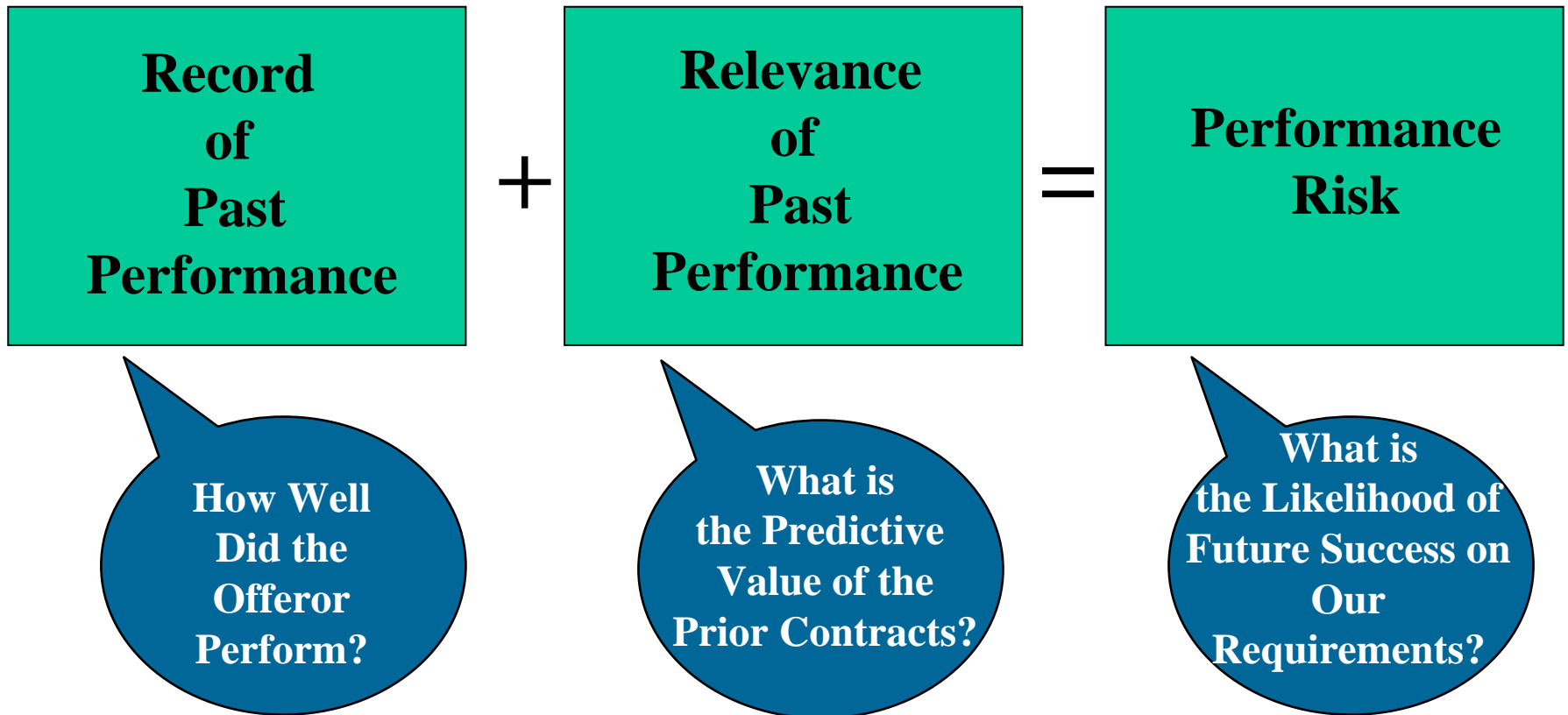
- RFP Paragraph L.10
- Provide substantiation supporting conformance of the Proposed Trailer to the Purchase Description Requirements
 - commercial literature
 - test data
 - historical information
 - analytical support
 - other supporting rationale or design documentation
 - Corrosion Control (PD Para 3.2.1)
 - Carrying Capacity (PD Para 3.2.2)
 - Ground Clearance (PD Para 3.2.3)
 - Trailer Weight, & Width (PD Para 3.2.4)
- Provide Federal Vehicle Trailer Certification or Milestones, with Substantiating Data, for Obtaining Certification

RFP Section M Evaluation Criteria

- RFP Paragraph M.10
- Proposal Risk Probability Offeror will Timely Satisfy Requirements
 - Corrosion Control (PD Para 3.2.1)
 - Carrying Capacity (PD Para 3.2.2)
 - Ground Clearance (PD Para 3.2.3)
 - Trailer Weight, & Width (PD Para 3.2.4)
- Risk of Contractor Obtaining a Federal Vehicle Trailer Certification at the point of the Contract Award

Proposal Risk - Those Risks Associated with the Offeror's Proposed Approach in Meeting the Requirements of the Solicitation- See RFP Section M

What is a Performance Risk Evaluation of Past Performance



Performance Risk – Importance of Relevance/Recency

- Past Performance Assesses Performance Risk Considering both:
 - Prior Contract Performance
 - Relevance/Recency of Prior Contract Performance

Example 1

	<u>Prior Contract Performance</u>			<u>Relevance/Recency of Prior Contract Performance</u>			<u>Performance Risk Rating</u>
	<u>Contract 1</u>	<u>Contract 2</u>	<u>Contract 3</u>	<u>Contract 1</u>	<u>Contract 2</u>	<u>Contract 3</u>	
<u>Offeror</u> A	Excellent	Excellent	Excellent	Highly	Highly	Limited	Excellent/ Very Low Risk
B	Excellent	Excellent	Excellent	Limited	Limited	Limited	Adequate/ Moderate Risk

Reading Your RFP – When are FAR 15.306(d) Discussions Planned?

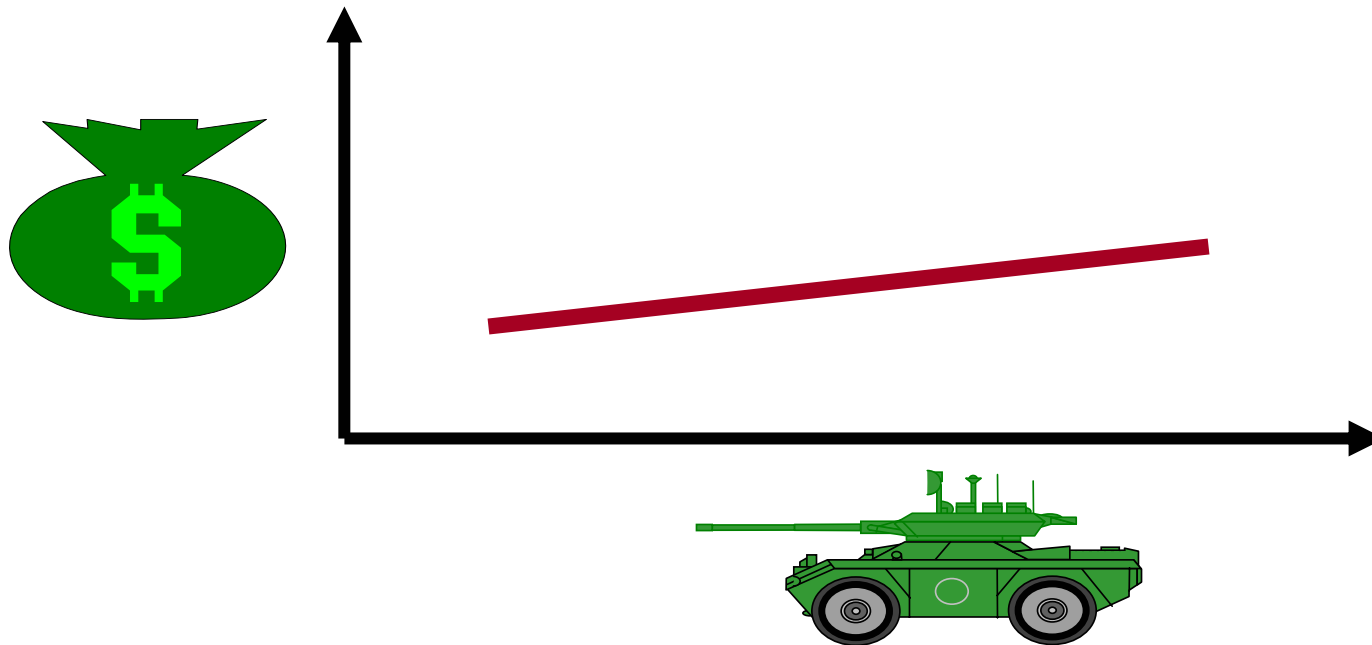
- **Does the RFP Contemplate Discussions?**
 - **FAR 52.215-1: The Government intends to Award without Discussions.**
 - **However, The Government Reserves the Right to Conduct Discussions if Necessary.**
 - **Offeror's are Encouraged to Submit Proposals on Best Terms in that Discussions may not be Conducted**
 - **FAR 52.215-1(Alternate 1): The Government intends to Award a Contract after Conducting Discussions.**
 - **Offeror's Still Encouraged to Submit Proposal on Best Terms in that the Competitive Range Determination will be based on the Initial Proposal Submission.**
 - **FAR & Case Law Require Conduct of Meaningful Discussions (Deficiencies, Significant Weaknesses, Adverse Past Performance)**

The Best Value Trade-off Decision

- ✓ **Is a Reasonable Business Judgment of the SSA;**
- ✓ **Based on a Comparative Analysis of the Proposals;**
- ✓ **Must be Consistent with the Stated Evaluation Criteria;**
- ✓ **Must Reflect Why Perceived Non-Cost/Price Discriminators among Offerors (e.g. Better Design, Better Past Performance, Strengths/Weaknesses) are:**
 - **Worth any Necessary Price Premium, or**
 - **Not Worth Price Premium**

Reading Your RFP – Cost vs. Non-Cost Criteria Relationship

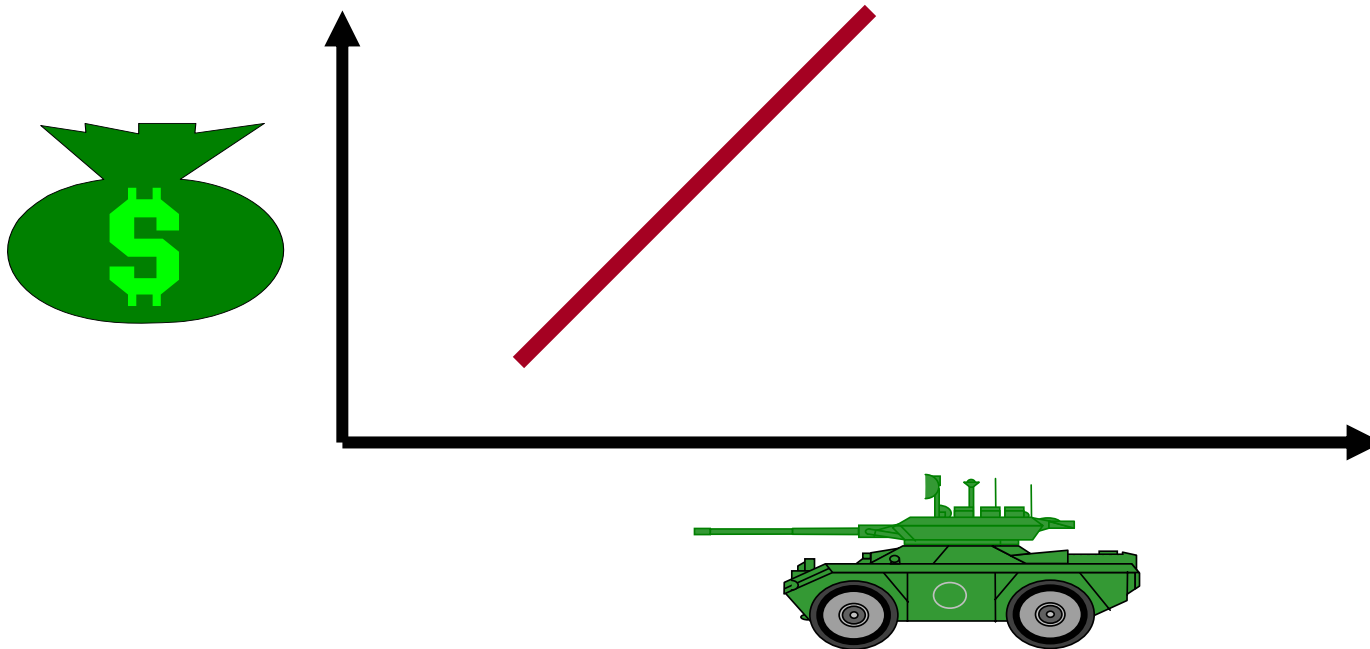
Cost/Price more important than non-cost factors...



**Proposal Formation Roadmap Message to Offeror:
Relatively Significant Advantages Required to Pay Higher Price.**

Reading Your RFP – Cost vs. Non-Cost Criteria Relationship

Non-cost factors more important than cost/price...



**Proposal Formation Roadmap Message to Offeror:
Willing to Pay Price Premium for Relatively Smaller Improvements**

Understanding the Selection Process – The Best Value Trade-off Decision

The Determinative Element is not the Differences in Ratings, but the Rational Judgement of the Source Selection Authority Concerning the Significance of those Differences.

The Analysis, Ratings and Comparisons should be used as an Aid to the Source Selection Authority's Judgement - not as a Substitute for that Judgement.

Source Selection Trade-Off Example

Scenario: Past Performance is Slightly More Important than Price.

	<u>Total Evaluated Price</u>	<u>Past Performance Rating</u>	<u>Historical Contract Relevance/Recency</u>
Offeror A	\$1,000,000	Adequate/ Moderate Risk	High
Offeror B	\$1,200,000	Excellent/Very Low Risk	High
	Item:	Turret Drive Controller – Vehicle Deadline Item	
	GFM Status:	GFM To M1A2 Production Line	
	Safety Item:	Yes - Controls Turret Spin	
	Stock Status:	210 Day Supply (210 Day Delivery Schedule)	
	Complexity:	Moderate	
Offeror “A” Delivery History:	30% of Recent Deliveries are 30-60 Days Late		
Offeror “A” Quality History:	Products Meet Requirements		

Tips and Top Source Selection Messages for Offerors

- **Read the RFP Thoroughly. In Particular:**
 - **The Requirements: Statement of Work (Section C) and Delivery Schedule**
 - **Proposal Preparation Instructions (Section L)**
 - **Basis for Evaluation and Award (Section M)**
 - **Executive Summary**
- **Crosswalk RFP Sections C, L & M To Determine Precisely What Information to Include in Your Proposal**
- **Understand the RFP Section M Relative Order of Importance Statement - It is the Road Map for Preparing Your Most Competitive Proposal**
- **The Government Will Evaluate Precisely What was Announced in the RFP**
- **Your Proposal will be Evaluated in great part based on Risk: This Necessitates Submission of Proposal Data Substantiating the Probability of Successful Performance - Promises or Unsupported Assertions will be Evaluated as Higher Risk**
- **Consider whether Pursuing Objective/Desired Requirements will make your Proposal more Advantageous, given the Evaluation Criteria?**
- **If Your Offer is not Selected for Award, it Typically doesn't mean you had a Poor Proposal, it means that another Proposal was Comparatively more Advantageous and a Better Value – Receiving a Debriefing may help Improve Future Proposal Submissions**

Back-Up Slides

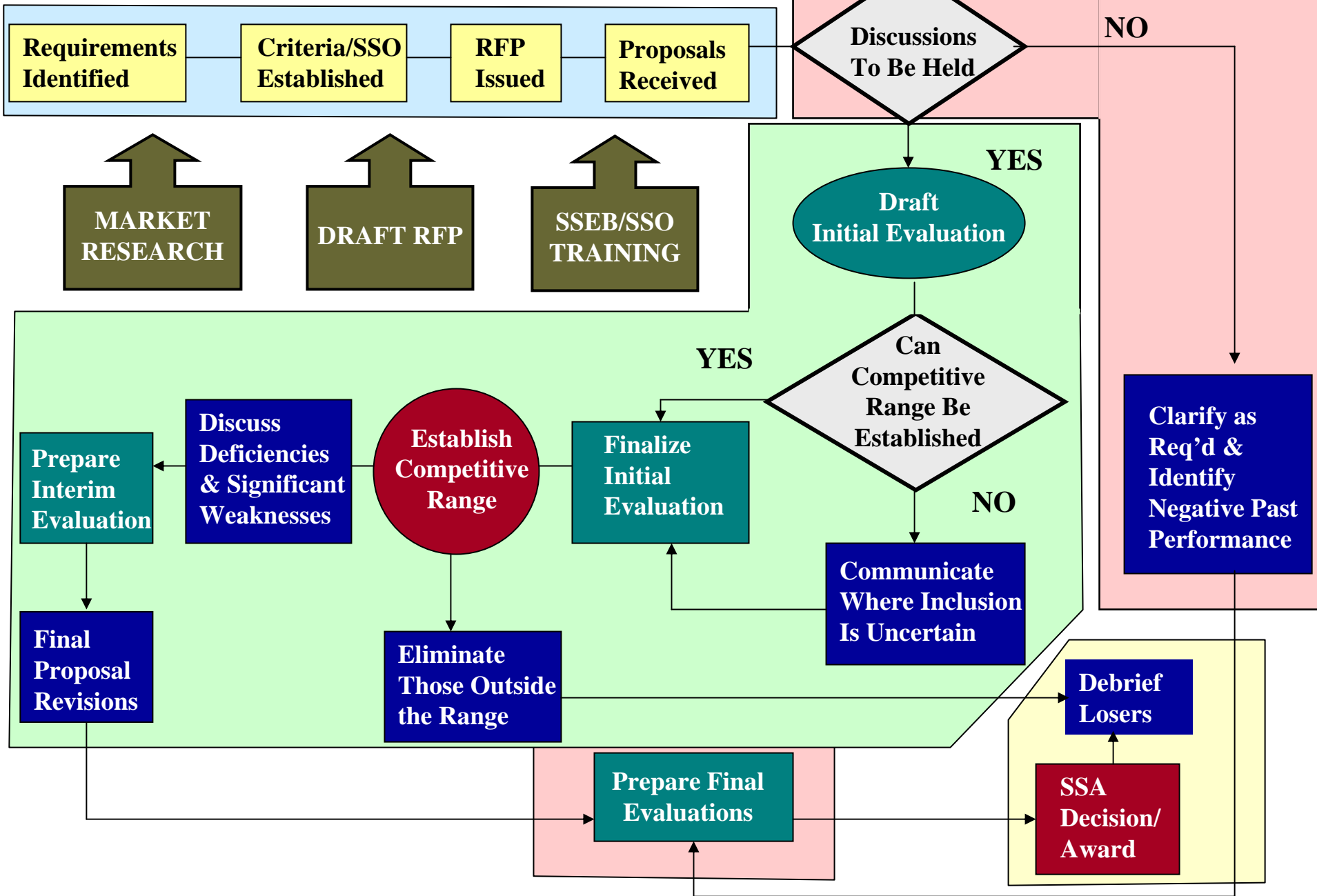
ACQUISITION UNIVERSE

FAR PART 6



* FAR Part 15 Procedures may be applied to competitive purchases under FAR Part 8, 12, and 13

Source Selection Process Flow



Technical Factor

Adjectival Rating Definitions

Evaluators will apply the rating for the definition that most closely matches the evaluation

Adjectival Rating	EVALUATION CRITERIA					Risk Level
	Proposed Approach and Achievement of Requirements and Objectives	Feasibility & Practicality of Solutions	Proposal Clarity, Precision & Support	Understanding of Requirements & Objectives	Strengths and Weaknesses	
Excellent	Exceptional Approach and Superior Achievement of Requirements and Objectives	Unquestionably Feasible & Practical	Exceptionally Clear/Precise & Fully Supported	Clear Understanding	Strengths far Outweigh Weaknesses	Very Low
Good	Sound Approach Fully Expected to Achieve Requirements & Objectives	Feasible & Practical	Clear/Precise & Supported	Understanding	Strengths far Outweigh Weaknesses	Low
Adequate	Generally Sound Approach Capable of Achieving Requirements & Objectives	Generally Feasible & Practical	Somewhat Clear/Precise & Partially Supported	General Understanding	Strengths and Weaknesses are Offsetting	Moderate
Marginal	Approach may not be Sound and may not be Capable of Achieving Requirements & Objectives	May Not Be Feasible or Practical	Lacks Clarity/Precision & Generally Unsupported	Not a Complete Understanding	Weaknesses Outweigh Strengths	High
Poor	Approach likely not Capable of Achieving Requirements and Objectives	Not Feasible or Practical	Lacks any Clarity/Precision & is Unsupported	Does Not Demonstrate an Understanding	Weaknesses far Outweigh Strengths	Very High

Typical Performance Risk Adjectival Rating Definitions

Evaluators will apply the rating for the definition that most closely matches the evaluation

EXCELLENT: Essentially no doubt exists that the offeror will successfully perform the required effort based on their performance record.

Risk Level: Very Low

GOOD: Little doubt exists that the offeror will successfully perform the required effort based on their performance record. *Risk Level: Low*

ADEQUATE: Some doubt exists that the offeror will successfully perform the required effort based on their performance record. *Risk Level: Moderate*

MARGINAL: Significant doubt exists that the offeror will successfully perform the required effort based on their performance record. *Risk Level: High*

POOR: It is extremely doubtful that the offeror will successfully perform the required effort based on their performance record. *Risk Level: Very High*

UNKNOWN: The offeror has little/no relevant past performance upon which to base a meaningful performance risk prediction. *Risk Level: Unknown*

Conducting Discussions

- **When Discussions are Conducted, FAR and Case Law Require Conduct of Meaningful Discussions**
 - **Deficiencies; Significant Weaknesses; Adverse Past Performance**
- **The Primary Objective of Discussions is to Maximize the Government's Ability to Obtain Best Value, Based upon the Requirements and the Evaluation Factors set forth in the Solicitation (FAR 15.306(d)(2))**
- **Not Searching for Perfect Information**
- **The Offeror Must have Sufficient Information to Understand the Government's Concern.**
- **Oral Discussions Greatly Enhance Communication, Improve Quality, Save Time and Reduce the Risk of Protest.**