

The Magic of Source Selection

and
Scary Source Selection Tales



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Overview

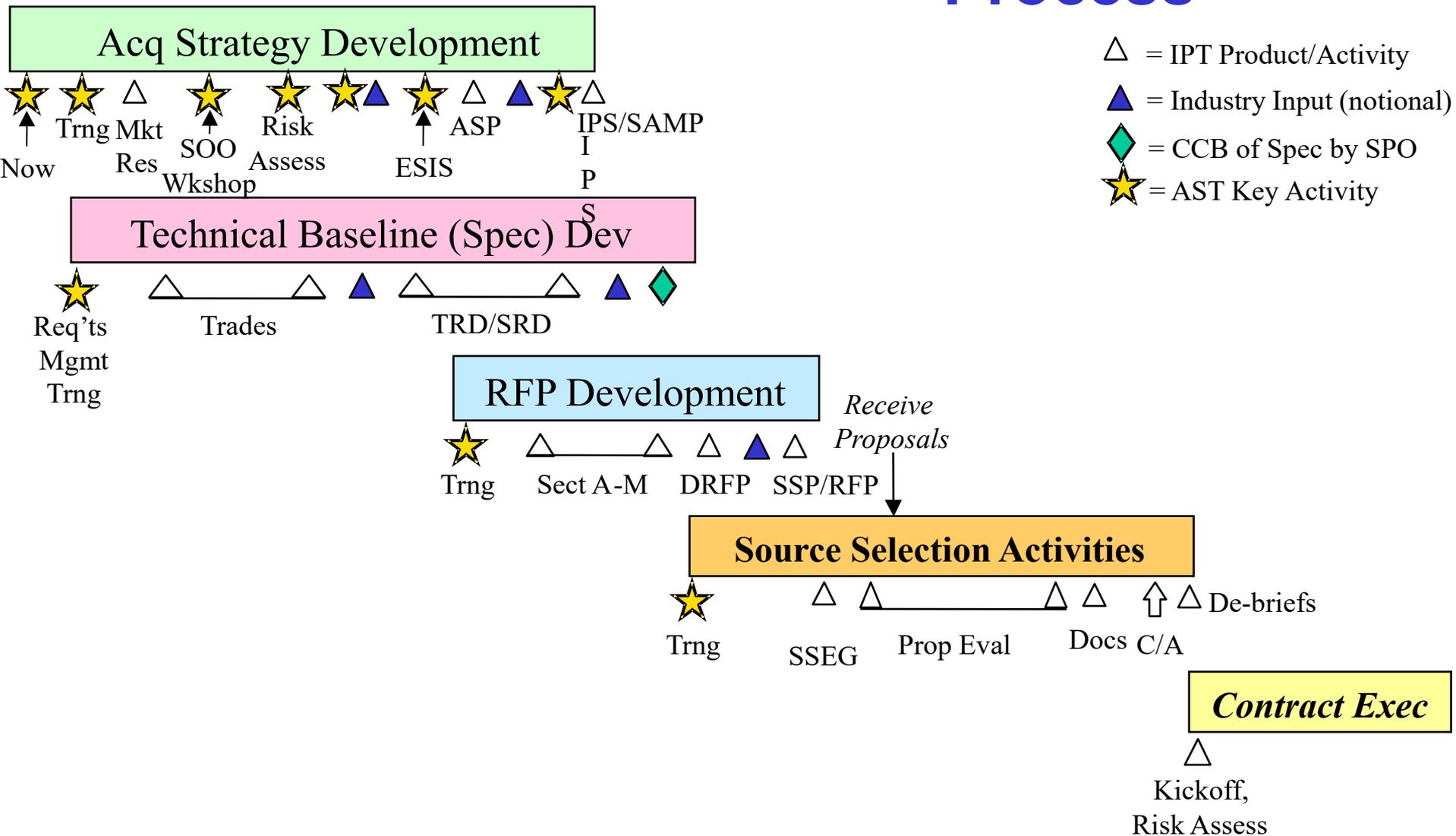
- **Pre-Award Process**
- **The Best Value Continuum**
- **Structure of the Request for Proposal**
- **Summary of AFFARS Changes**
- **The Source Selection Process**
- **Common Proposal Problems**
- **Summary**



Pre-Award Process



Getting to Contract - The Pre-Award Process



Industry Opportunities to Influence the Acquisition

- **Commerce Business Daily**
 - www.eps.gov
 - Sources Sought Synopsis
 - Statement of Capability
 - Industry Day
 - One-on-One Meetings
 - Risk Assessment
 - Pre-Solicitation Conference
 - Synopsis of Contract Action
 - Pre-Proposal Conference
- **Program/Project Website**
 - Draft RFP documents

The Best Value Continuum



Best Value Continuum

Lowest Price
Technically
Acceptable
(LPTA)

Price/Performance
Trade-Off (PPT)
No Tech

Price/Performance
Trade-Off
w/Tech

Best Value
Trade-off



Best Value Trade-Off

- Govt establishes technical criteria that can be exceeded in a manner beneficial to the Govt
- Offerors are rated on the quality of technical performance
- Proposal risk is assessed
- Past Performance is rated
- Price is evaluated
- Trade-off is based on the best combination of technical, risk, past performance and price in accordance with the relative importance of each element to the overall decision
- Must justify trade as in the best interest of Govt

Structure of the Request for Proposal



Typical RFP Contents

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

TODAY'S FOCUS

Source Selection Factors

Mandatory for Air Force Source Selections

- **Mission Capability (MC)**

- Programmatic, Performance, and Business Aspects

- **Proposal Risk (PR)**

Indicator of an Offeror's ability to execute the program within the proposed cost schedule, and performance baselines

- **Past Performance**

Historical evidence of recent and relevant contract performance

- **Price/Cost**

Most likely cost to the Government to perform proposed effort at contract completion

Each Factor uses a different evaluation process and set of definitions

Mission Capability

Sample Section M Evaluation Sub-Factors

- Subfactor 1 -- System Engineering & Program Management Approach
- Subfactor 2 -- System Integration Approach
- Subfactor 3 -- Software Design, Code, Test
- Subfactor 4 -- Software Engineering & Management
- Subfactor 5 -- Risk Reduction Program
- Subfactor 6 -- Product Integration & Planning (subs vs. prime)

Mission Capability

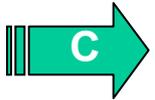
Example of Section M Subfactor & Criteria

- **M 2.0 Evaluation Factors**
- **M 2.1 Factor 1 Mission Capability**
- **M 2.1.6 Subfactor 6 – Product Integration and Planning**

Description:

The requirements are met when:

- The offeror demonstrates a competent and effective IPT to manage and perform all contract tasks
- Etc. ...



Note: These sections normally contain multiple criteria and additional attributes

Mission Capability

Example of Section L Proposal Instructions

- **L 2.1 Factor 1 – Mission Capability**
- **L 2.1.6 Subfactor 6 – Product Integration and Planning**
 - Offerors shall describe their team composition and provide a narrative that explains each team members responsibility and what benefit it provides to the overall product.
 - Offerors shall provide details of their risk mitigation plans to maintain contract schedule and costs should a critical team member drop from the team
 - Etc.

Proposal Risk

“The proposal risk evaluation focuses on the weaknesses associated with an offeror’s proposed approach. . . . Assessment of proposal risk considers potential for disruption of schedule, increased cost, poor performance and the need for increased Government oversight as well as the likelihood of unsuccessful contract performance. For any risk identified, the evaluation shall address the offeror’s proposed mitigation and why that approach is or is not manageable . . .” (AFFARS 5315.305 MP5315.305 1.5.2.

(emphasis added)

Past Performance (Simplified) Process

Obtain Past Performance Information on Each Offeror

Assess Contract Relevancy for Each Subfactor

Assess Contract Performance for Each Subfactor

Review Relevancy and Performance Ratings

Assign Confidence Ratings to Each of the MC Subfactor Areas

Recommend PAST PERFORMANCE FACTOR Confidence Rating

Past and Present Performance

- **Why do we look at it?**
 - Indicator that the offeror will successfully perform a contract to be awarded
- **What do we look at?**
 - Recency
 - Relevancy
 - Offeror's demonstrated performance

Past Performance Parameters

- **Recency – specific limitations**
 - Efforts in progress or just completed with one-year history
 - 3 years back from solicitation date
- **Relevancy – remove from consideration contracts that are clearly unrelated to the effort sought**
 - Threshold question
 - Limited relevance given less weight
 - Portions of individual contracts may be relevant
 - Not necessarily identical items
 - PP of offeror team considered

Offeror's Demonstrated Performance

- **Performance successes**
 - Superior performance above contract standards
 - Innovative processes
 - Customer or industry awards
 - Proactive problem-solving
- **Or problems**
 - Whether problems were caused by the Contractor, the Government, or other factors
 - Whether solutions were timely and effective
 - How well the contractor worked with the customer to resolve the problems
 - Includes problems with or by subcontractors, partners or teammates

Cost/Price

- **Cost/Price Reasonableness**

Evaluated and assessed under price competition; may be determined by price analysis techniques such as parametric analysis

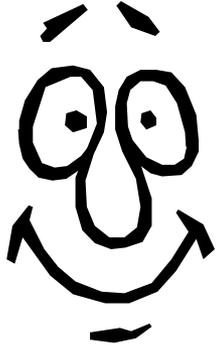
- **Cost Realism**

Required for cost-reimbursement contracts; an assessment that proposed price appropriately considers scope and degree of effort. As elected by PCO, may be considered for FP type contracts

Air Force Source Selection



The New 411



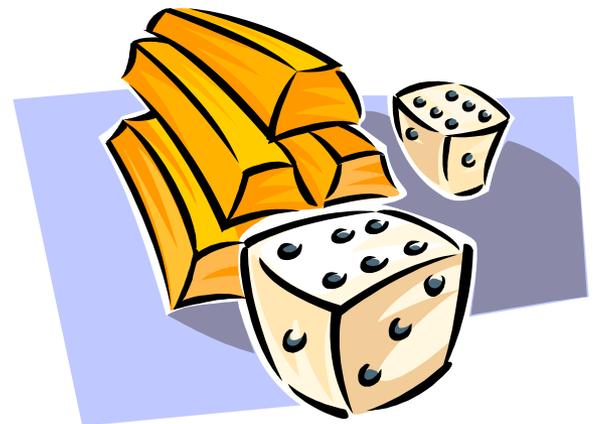
What's New? What's Scary?



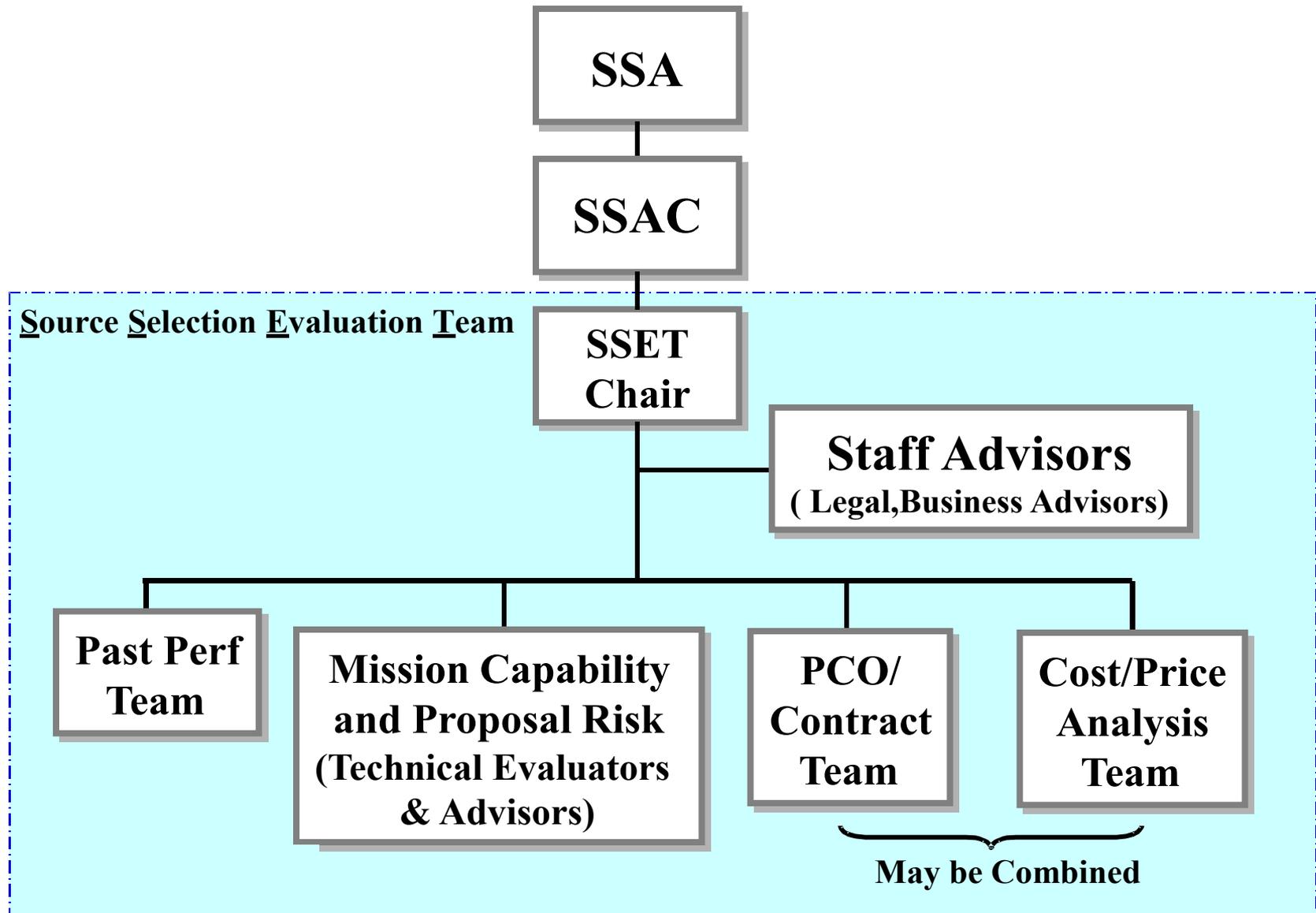
- **Added: Deficiency is a material failure of a proposal to meet a Government requirement**
- **Added: Systems Engineering subfactor in Mission Capability**
- **Added: Determination of Competitive Range by SSA**
- **Changed name: Performance Confidence Assessment Group** – Previously Performance Risk Assessment Group



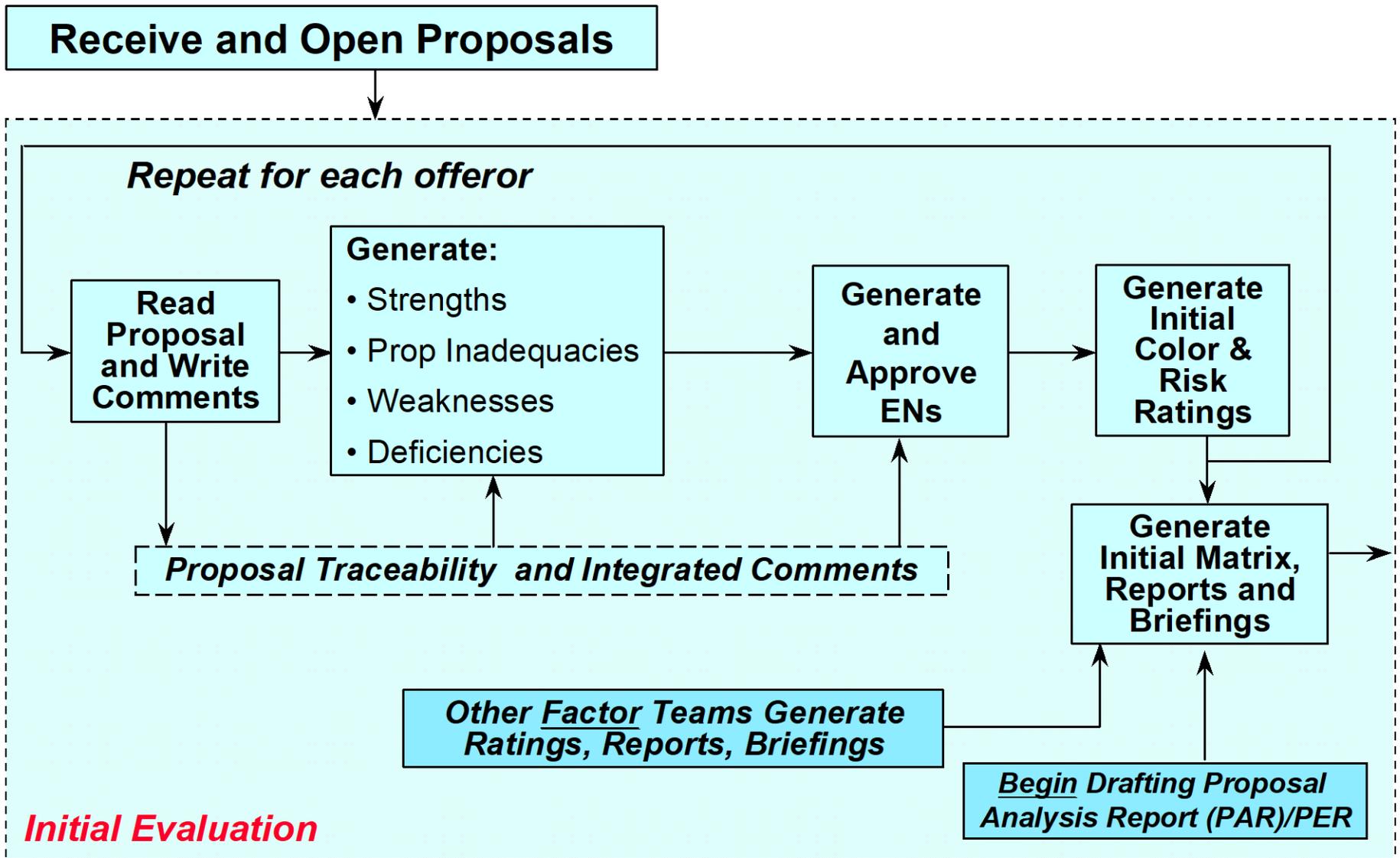
The Air Force Source Selection Process



Typical Source Selection Organization



Initial Evaluation Phase



Exchanges

FAR 15.306

- **Clarifications:**

- Limited exchanges, between the Govt and offerors, that may occur when award without discussion is contemplated
 - To clarify: relevance of past performance information, to provide an offeror opportunity to respond to adverse past performance, to resolve minor or clerical errors

- **Communications:**

- Exchanges between the Govt and offerors, leading to establishment of the competitive range
 - To allow reasonable interpretation of the proposal, to facilitate the Govt's evaluation process, to clarify relevance of past performance information, to respond to adverse past performance
- May NOT be used to cure proposal deficiencies or material omission, or to revise the proposal

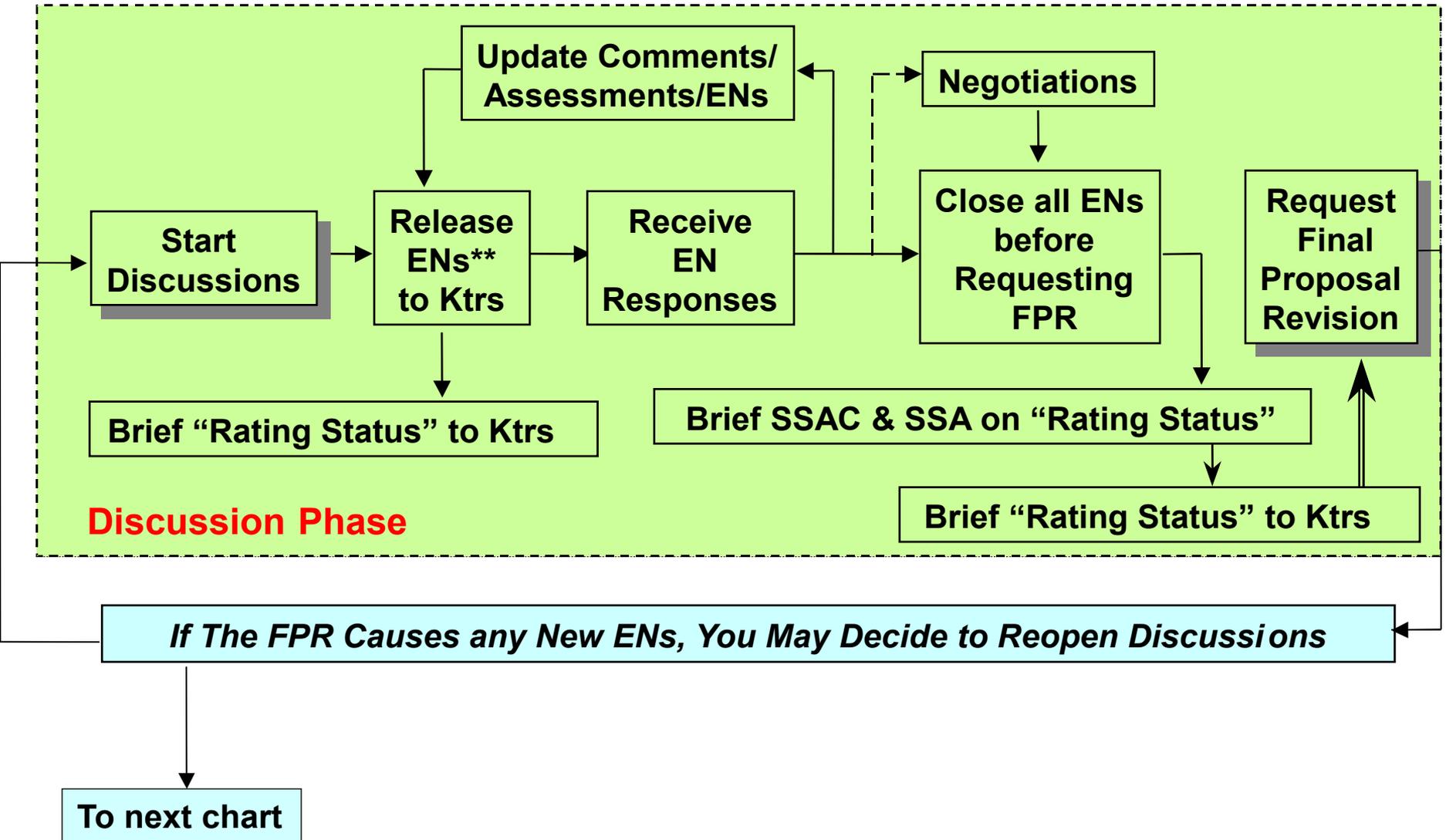
Exchanges (Cont'd)

FAR 15.306

- **Discussions**

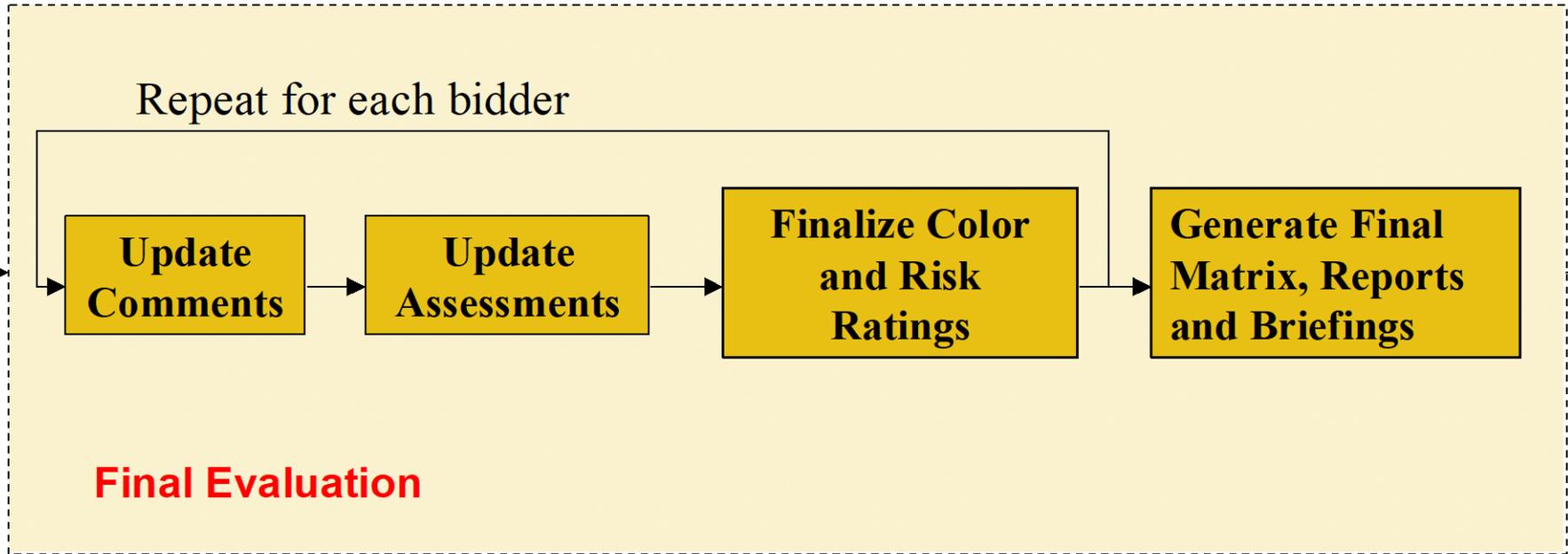
- Objective is to maximize the Govt's ability to obtain best value based on the requirements and the evaluation factors set forth in the solicitation
- Happen after establishment of the Competitive Range
- Include “negotiations” between the Govt and offerors, undertaken with the intent of allowing the offeror to revise its proposal
 - The Govt shall indicate significant weaknesses, deficiencies, and other aspects of its proposal that could be altered or explained to materially enhance the proposal's potential for ward

Discussion Phase

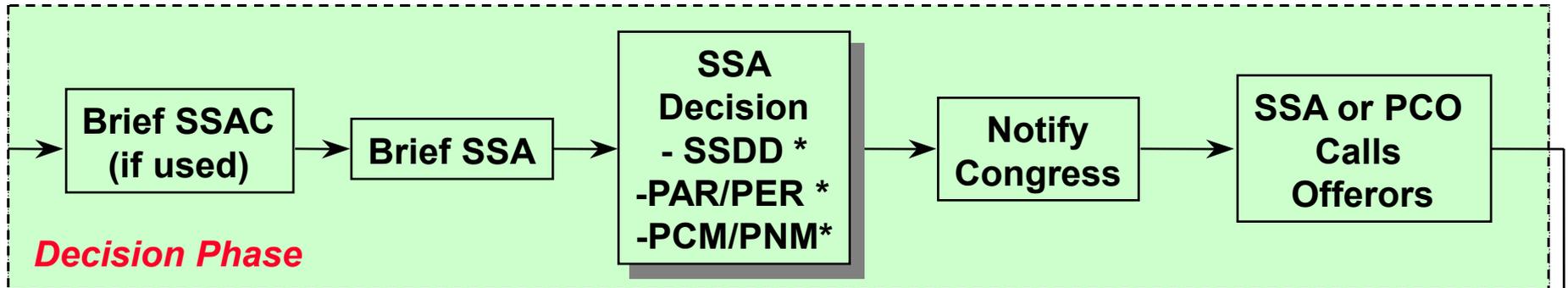


** = SSA approves release of ENs

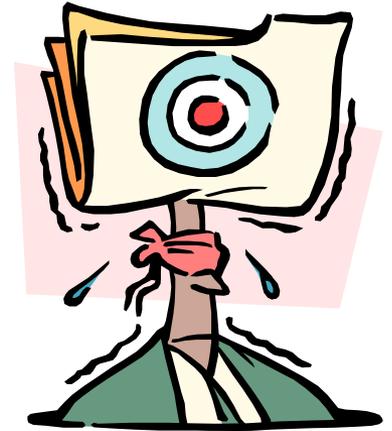
Final Evaluation



Decision Phase



* SSDD = Source Selection Decision Document,
PAR = Proposal Analysis Report, PER = Proposal Evaluation Report
PCM=Price Cost Memo, PNM=Price Negotiation Memo



Common Proposal Problems



Common Proposal Problems

General

- **Not following proposal instructions**
 - Information in the wrong volume
 - Information omitted
 - Exceeding page counts
 - Fonts used on charts and tables are too small
- **Careless errors**
 - Numbers do not add correctly
 - Blanks in RFP Sections A-K not completed
 - Transposed numbers
 - Pages missing after assembling proposal

Common Proposal Problems

Technical

- Integrated Master Plan (IMP) and Integrated Master Schedule (IMS) events do not correlate
- Process described in technical narrative is inconsistent with IMP and/or Contractor SOW
- Technical proposal does not respond to all Section L requirements
- Technical narratives not in sufficient depth to facilitate understanding by evaluators
- Too much superfluous information and marketing hype

Common Proposal Problems

Proposal Risk

- Schedule proposed does not reflect complexity of tasks
- Proposed labor categories do not reflect technical challenges
- Proposed hours do not support proposed schedule
- Proposed schedule does not reflect technological challenges

Common Proposal Problems

Proposal Risk

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Common Proposal Problems

Past Performance

- Contract references are not relevant
 - Does not meet relevancy criteria in Section M
 - Relevancy justification does not clearly tie partially relevant effort to solicitation SOW task
- Past Performance Volume not submitted before proposal due date when requested
- Reference contacts and phone numbers out of date
 - Makes validation of claims difficult or impossible
- When past performance was problematic, offeror fails to describe demonstrated resolution or correction, or address means to avoid recurrence

Common Proposal Problems

Cost/Price

- Basis of estimates omitted or inadequate
- Failure to include ALL information requested in Section L
- Failure to check calculations
 - Section B prices do not correlate with cost/price data
 - Individual schedules do not track to summary data
- Composition of overhead pools not adequately described
- Major/significant expense items procured or subcontracted not adequately supported
- Travel expenses not adequately supported

Summary

- Take advantage of opportunities for industry involvement as early in the pre-award process as possible
- Provide the Government with thoughtful comments to draft documents
- Ask questions before preparing your proposal
- Read the RFP carefully, including all attachments and annexes
- Follow the RFP instructions
- Check the proposal before submission

Back-up Information



Source Selection Processes

- **Lowest Price Technically Acceptable (LPTA)**
 - Govt establishes criteria for acceptability; pass fail
 - No credit for performance above acceptable
 - No trading between price and technical
 - Once acceptability determined, select low price offer
 - May look at past performance, but not a selection factor unless it is less than satisfactory
- **Price Performance Trade-off (PPT) w/no Technical Acceptability**
 - Rate offerors past performance; rank by price
 - No technical proposal
 - Trade - Can award to offeror with better past performance at a higher price
 - Must justify trade as in the best interest of Govt

Source Selection Processes

- **Price Performance Trade-Off (PPT) with Technical Acceptability**
 - Govt establishes criteria for acceptability; pass/fail
 - No credit for performance above acceptable
 - No trading between technical and price/past performance
 - Trade - Can award to offeror with better past performance at a higher price
 - Optimum situation – lowest price offeror has best past performance
 - Must justify trade as in the best interest of Govt

MC & PR: THE DIFFERENCES ^b

	MISSION CAPABILITY	PROPOSAL RISK
FOCUS	DOES THE PROMISED PERFORMANCE MEET <i>THE SOLICITATION REQUIREMENTS</i> ?	WHAT ARE <i>THE RISKS</i> OF MEETING SOLICITATION RQMTS IF PERFORMED AS PROMISED?
ISSUE	WHAT IS <i>QUALITY OF PERFORMANCE-BASED OUTCOME</i> ?	WHAT RISKS ARE INHERENT IN OFFEROR'S <i>APPROACH</i> ?
ASSESSMENT	STRENGTH PROPOSAL INADEQUACY <i>MC</i> DEFICIENCY	WEAKNESS SIGNIFICANT WEAKNESS <i>PR</i> DEFICIENCY
RATING	BLUE GREEN YELLOW RED	LOW MODERATE HIGH

Evaluation Notice Form

Evaluation Notice

Member: Offeror: Proposal:

Factor	Subfactor	Element	Criteria
Mission Capability	Technical	Space Vehicle	1.1.1

1

ENs | Related Comments | Related Assessments

EN Type	Category	Author	D/T created	EN ID	EC	SFC	FC	PCO	SSET	SSA
Communication	Deficiency	ESSAdmin	23-Feb-00 15:45	1	<input checked="" type="checkbox"/>					

2

RFP Ref:

Prop Ref:

3

Topic: Status:

4

Narrative

Requirement States: propulsion at xxx or greater
Offeror Stated: at most vehicle has xxx-2.5

Comment: offeror proposes a value of 2.5 less than the desired propulsion
Effect/Benefit: not enough propulsion to reach desired orbit

Suggested EN language:
.....

Record: 1 of 2

Disposition:

ENs

Selector: Defs: Criteria:

Cmt: Asmt:

New: Move:

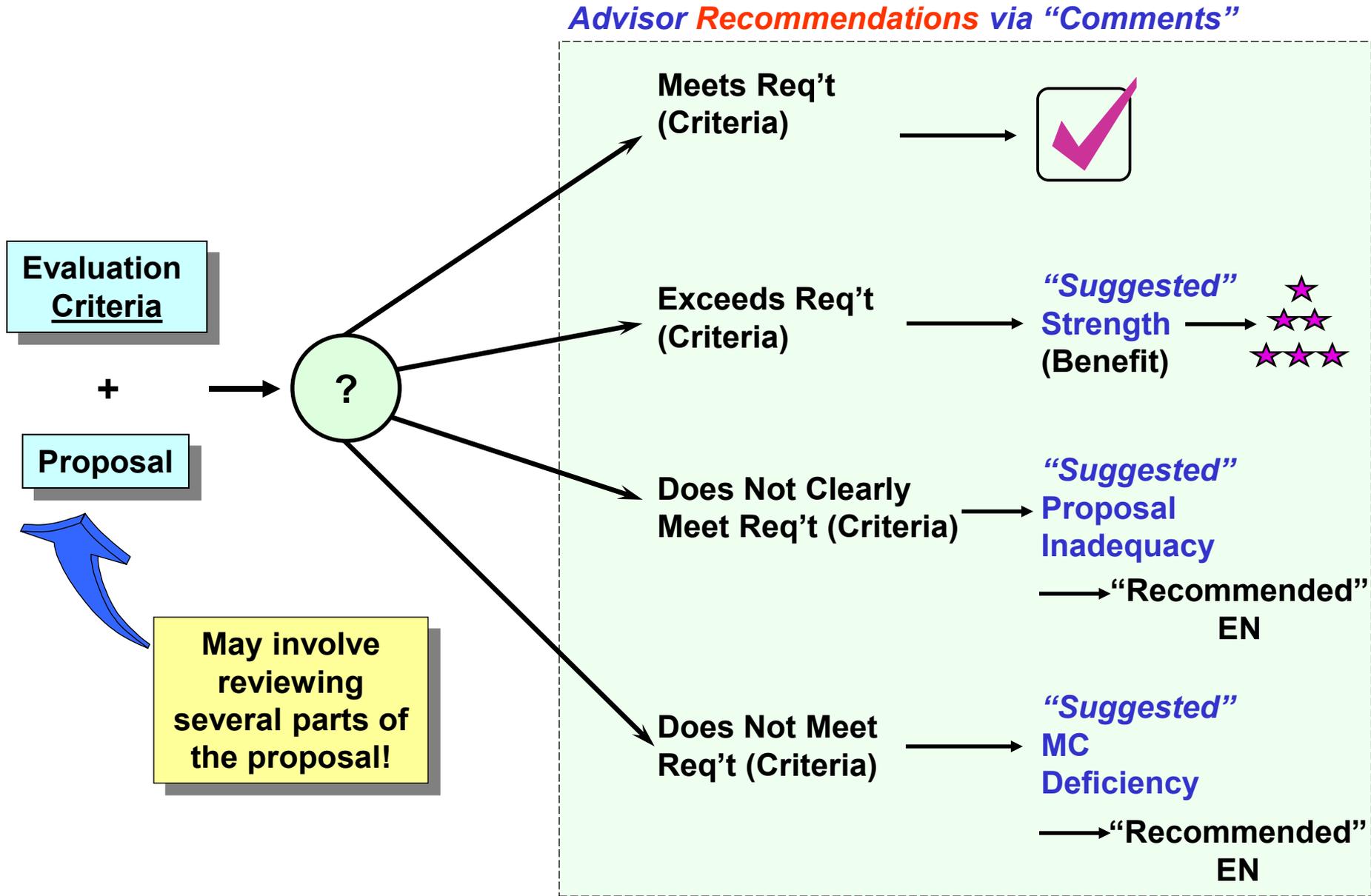
View:
Apply Filter:

Filter is: **OFF**

Buffer:

Comments:	Asmts:
<input type="button" value="▶"/> 2	<input type="button" value="▶"/> 2

MC "Thought Process"



Integrating the Ratings

Core Team: SSET Chair, Factor Chiefs, Sub-Factor Chiefs, PCO, Recorder (admin)

