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25.504-4 Group award basis.

(a) *Example 1*.

OFFERS

Item	**A**			**B**			**C**		
1	DO	=	$55,000	EL	=	$56,000	NEL	=	$50,000
2	NEL	=	$13,000	EL	=	$10,000	EL	=	$13,000
3	NEL	=	$11,500	DO	=	$12,000	DO	=	$10,000
4	NEL	=	$24,000	EL	=	$28,000	NEL	=	$22,000
5	DO	=	$18,000	NEL	=	$10,000	DO	=	$14,000
	$121,500			$116,000			$109,000		

Key:

DO	=	*Domestic end product*
EL	=	*Eligible product*
NEL	=	*Noneligible product*

Problem: *Offeror* C specifies all-or-none award. Assume all *offerors* are large businesses. The *acquisition* is not covered by the *WTO GPA*.

Analysis: (see 25.503)

STEP 1: Evaluate *Offers* A & B before considering *Offer* C and determine which *offer* has the lowest evaluated cost for each *line item* (the tentative award pattern):

Item 1: Low *offer* A is domestic; select A.

Item 2: Low *offer* B is eligible; do not apply factor; select B.

Item 3: Low *offer* A is noneligible and *Offer* B is a *domestic offer*. Apply a 20 percent factor to *Offer*

A. The evaluated price of *Offer* A is higher than *Offer* B; select B.

Item 4: Low *offer* A is noneligible. Since neither *offer* is a *domestic offer*, no evaluation factor applies; select A.

Item 5: Low *offer* B is noneligible; apply a 20 percent factor to *Offer* B. *Offer* A is still higher than *Offer* B; select B.

STEP 2: Evaluate *Offer* C against the tentative award pattern for *Offers* A and B:

OFFERS

Item	**Low *Offer***	**Tentative Award Pattern from A and B**			**C**		
1	A	DO	=	$ 55,000	*NEL	=	$60,000
2	B	EL	=	$10,000	EL	=	$13,000
3	B	DO	=	$12,000	DO	=	$10,000
4	A	NEL	=	$24,000	NEL	=	$22,000
5	B	*NEL	=	<u>$12,000</u>	DO	=	<u>$14,000</u>
TOTAL		$113,000			$119,000		

**Offer* + 20 percent.

On a *line item* basis, apply a factor to any *noneligible offer* if the other *offer* for that *line item* is domestic.

For Item 1, apply a factor to *Offer* C because *Offer* A is domestic and the *acquisition* was not covered by the *WTO GPA*. The evaluated price of *Offer* C, Item 1, becomes $60,000 ($50,000 plus 20 percent). Apply a factor to *Offer* B, Item 5, because it is a *noneligible product* and *Offer* C is domestic. The evaluated price of *Offer* B is $12,000 ($10,000 plus 20 percent). Evaluate the remaining items without applying a factor.

STEP 3: The tentative unrestricted award pattern from *Offers* A and B is lower than the evaluated price of *Offer* C. Award the combination of *Offers* A and B. Note that if *Offer* C had not specified all-or-none award, award would be made on *Offer* C for *line items* 3 and 4, totaling an award of $32,000.

(b) *Example 2*.

OFFERS

Item	**A**			**B**			**C**		
1	DO	=	$50,000	EL	=	$50,500	NEL	=	$50,000
2	NEL	=	$10,300	NEL	=	$10,000	EL	=	$10,200
3	EL	=	$20,400	EL	=	$21,000	NEL	=	$20,200
4	DO	=	$10,500	DO	=	$10,300	DO	=	$10,400
TOTAL	$91,200			$91,800			$90,800		

Problem: The *solicitation* specifies award on a group basis. Assume the Buy American statute applies and the *acquisition* cannot be set aside for small business concerns. All *offerors* are large businesses.

Analysis: (see 25.503(c))

STEP 1: Determine which of the *offers* are domestic (see 25.503(c)(1)):

	Domestic [percent]	Determination
A	$50,000 (*Offer* A1) + $10,500 (*Offer* A4) = $60,500 $60,500/$91,200 (*Offer* A Total) = 66.3%	Domestic
B	$10,300 (*Offer* B4) /$91,800 (*Offer* B Total) $ = 11.2%	Foreign
C	$10,400 (*Offer* C4) /$90,800 (*Offer* C Total) = 11.5%	Foreign

STEP 2: Determine whether *foreign offers* are eligible or *noneligible offers* (see 25.503(c)(2)):

	Domestic + Eligible [percent]	Determination
A	N/A (Both Domestic)	Domestic
B	$50,500 (*Offer* B1) + $21,000 (*Offer* B3) + $10,300 (*Offer* B4)= $81,800. $81,800 /$91,800 (*Offer* B Total) = 89.1%	Eligible

C	$10,200 (*Offer* C2) + $10,400 (*Offer* C4) = $20,600. $20,600/$90,800 (*Offer* C Total) = 22.7%	Noneligible

STEP 3: Determine whether to apply an evaluation factor (see 25.503(c)(3)). The low *offer* (*Offer* C) is a *foreign offer*. There is no *eligible offer* lower than the *domestic offer*. Therefore, apply the factor to the low *offer*. Addition of the 20 percent factor (use 30 percent if *Offer* A is a small business) to *Offer* C yields an evaluated price of $108,960 ($90,800 + 20 percent). Award on *Offer* A (see 25.502(c)(4)(ii)). Note that, if *Offer* A were greater than *Offer* B, an evaluation factor would not be applied, and award would be on *Offer* C (see 25.502(c)(3)).

(c) *Example 3.*

OFFERS

Item		**A**			**B**			**C**	
1	DO	=	$17,800	FO (>55%)	=	$16,000	FO (>55%)	=	$11,200
2	FO (>55%)	=	$9,000	FO (>55%)	=	$8,500	DO	=	$10,200
3	FO (>55%)	=	$11,200	FO (>55%)	=	$12,000	FO (>55%)	=	$11,000
4	DO	=	$10,000	DO	=	$9,000	FO (>55%)	=	$6,400
Total	$48,000			$45,500			$38,800.		

Key:

DO = *Domestic end product* (complies with the required domestic content).

FO > 55% = *Foreign end product* with domestic content exceeding 55%.

FO < 55% = *Foreign end product* with domestic content of 55% or less.

Problem: The *solicitation* specifies award on a group basis. Assume only the Buy American statute applies (*i.e.,* no trade agreements apply) and the *acquisition* cannot be set aside for small business concerns. All *offerors* are large businesses.

Analysis: (see 25.503(d))

STEP 1: Determine which of the *offers* are domestic (see 25.503(d)(1)).

	Domestic [percent]	Determination
A	\$17,800 (*Offer* A1) + \$10,000 (*Offer* A4) = \$27,800 \$27,800/\$48,000 (*Offer* A Total) = 58%	Domestic
B	\$9,000 (*Offer* B4)/\$45,500 (*Offer* B Total) = 19.8%	Foreign
C	\$10,200 (*Offer* C2)/\$38,800 (*Offer* C Total) = 26.3%	Foreign

STEP 2: Determine which *offer*, domestic or foreign, is the low *offer*. If the low *offer* is a *foreign offer*, apply the evaluation factor (see 25.503(d)(2)). The low *offer* (*Offer* C) is a *foreign offer*. Therefore, apply the factor to the low *offer*. Addition of the 20 percent factor (use 30 percent if *Offer* A is a small business) to *Offer* C yields an evaluated price of \$46,560 (\$38,800 + 20 percent). *Offer* C remains the low *offer*.

STEP 3: Determine if there is a foreign *offer* that could be treated as a *domestic offer* (see 25.106(b)(2) and 25.503(d)(2)).

	Amount of domestic content (percent)	Determination
A	N/A	N/A
B	\$9,000 (*Offer* B4)/\$45,500 (*Offer* B Total) \$ = 19.8% is domestic AND \$16,000 (*Offer* B1) + \$8,500 (*Offer* B2) + \$12,000 (*Offer* B3) = \$36,500 \$36,500/\$45,500 (*Offer* B Total) = 80.2% can be treated as domestic 19.8% + 80.2% = 100% is domestic or can be treated as domestic	Can be treated as domestic.
C	\$10,200 (*Offer* C2)/\$38,800 (*Offer* C Total) = 26.3% is domestic	Noneligible

STEP 4: If there is a *foreign offer* that could be treated as a *domestic offer*, compare the evaluated price of the low *offer* to the price of the *offer* treated as domestic (*see* 25.503(d)(3)). *Offer* B can be treated as a *domestic offer* (\$45,500). The evaluated price of the low *offer* (*Offer* C) is \$46,560. Award on *Offer* B.

Parent topic: 25.504 Evaluation examples.