

# CHAPTER 2: PRESOLICITATION ACTIVITIES

**Parent topic:** [APPENDIX - AA ARMY SOURCE SELECTION SUPPLEMENT](#)

## 2.1 Conduct Acquisition Planning

**Acquisition Planning.** Acquisition planning should start when an agency identifies a need for supplies, construction and/or services. When practical, utilize an Integrated Product Team (IPT) approach to develop the acquisition strategy. This early teaming effort may reduce false starts and resultant delays that frequently accompany the preparation of a complex procurement. (Reference DOD Source Selection Procedures 2.1.1 )

**Best Practice:** *Some of the decisions/determinations made during the planning phase are key and will impact the entire acquisition from source selection through contract administration. Including key stakeholders, such as contract administrators, Contracting officer's Representatives (CORs), Quality Assurance (QA) and Property Administrator, will help to ensure consideration of issues that may impact the requirements, performance, and acquisition strategy as a whole.*

**Risk Assessment.** Risk analysis is a critical component of acquisition planning, and the market research results should be a primary consideration as part of this analysis. Early identification, formation, and direct involvement of the acquisition team (and key stakeholders) will help to ensure a comprehensive understanding of the requirements and any marketplace influences on risk and risk mitigation. (Reference DOD Source Selection Procedures 2.1.1.2 )

**Peer Reviews.** See AFARS 5101.170 for Preaward peer reviews. Planning, and including realistic time allowances, for all requisite reviews when establishing milestone schedules is essential to the success of your acquisition.

**Market Research.** Market research is a continuous process and directly influences how the acquisition strategy and source selection process is shaped. (Reference DOD Source Selection Procedures 2.1.2 and AFARS 5110.002).

Some techniques you may use in conducting market research include:

Use general sources of information available from the marketplace, other DOD/ government agencies, and the internet;

Contact knowledgeable individuals regarding market capabilities and business practices (include the Small Business Advisor);

Review the results of recent market research;

Query government and/or commercial databases;

## 2.2 Develop a Source Selection Plan

**Selection of Evaluation Factors .** Selecting the correct evaluation factors is the most important

decision in the evaluation process. Structure the evaluation factors and their relative importance to clearly reflect the needs of your acquisition.

**Mandatory Evaluation Considerations .** In every source selection, you must evaluate cost/price, and the technical quality of the proposed product or service through one or more non-cost evaluation factors (e.g. technical excellence, management capability, and key personnel qualifications).

Additionally, you must evaluate past performance on all negotiated competitive acquisitions expected to exceed the thresholds identified in FAR 15.304 and DFARS 215.304, unless the PCO documents why it would not be appropriate. There may be other required evaluation factors, such as small business participation, based upon regulatory and/or statutory requirements (see FAR 15.304 and its supplements).

From this point, the acquisition team must apply prudent business judgement to add other evaluation factors, subfactors, and elements that are important to selecting the most advantageous proposal(s). The number of factors and subfactors should be kept to the absolute minimum required to effectively assess the proposals. The use of more factors than needed to conduct the evaluation can complicate and extend the process while providing no additional value, and dilute the meaningful discriminators. Limiting factors also serves to reduce the evaluation oversight span-of-control responsibilities of the SSEB leadership, SSA/SSAC, PCO and legal counsel, thereby permitting more focused oversight on the remaining (and most important) factors/subfactors and reducing the likelihood of evaluation errors.

Common evaluation factors are cost/price, technical, past performance, and small business participation. Additionally, as appropriate, you may have other evaluation factors and/or may use one or more levels of subfactors. The standard Army naming convention for the various levels is: Evaluation Factor, Subfactor, and Element.

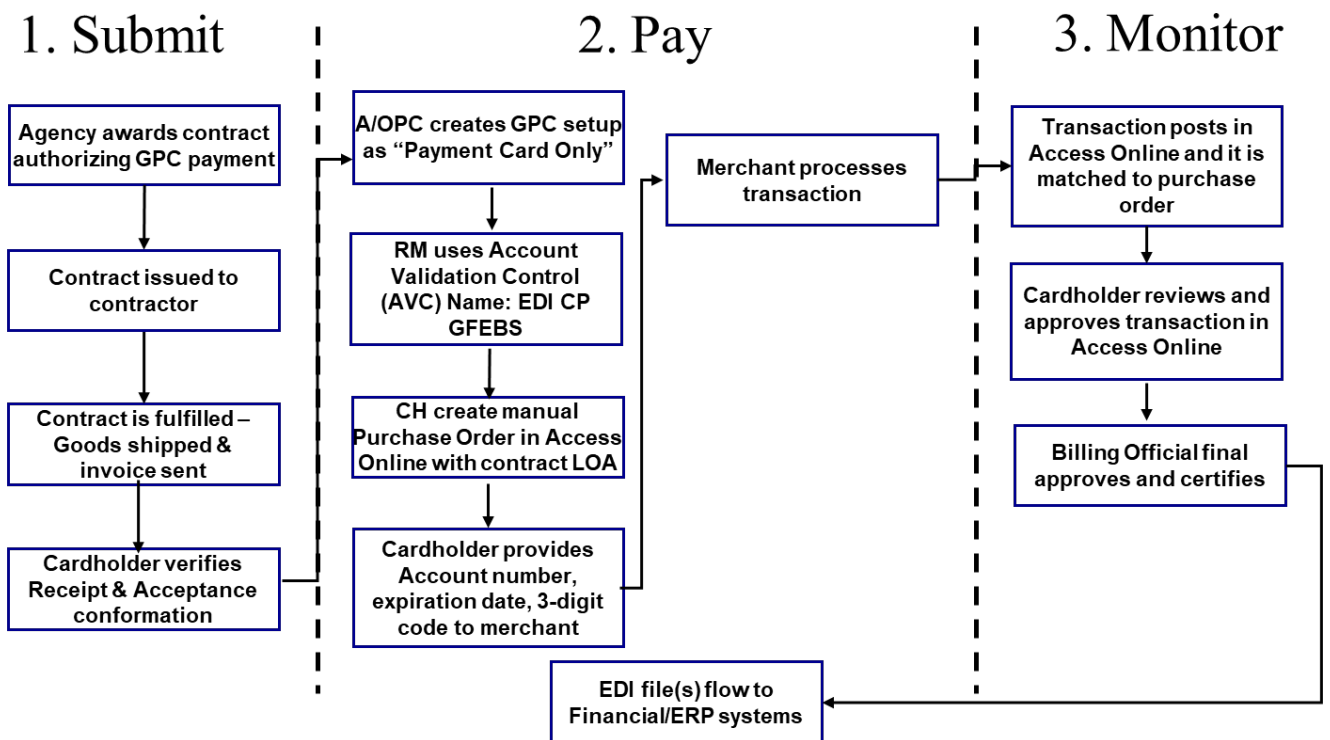


Figure 2-1: Sample Evaluation Factor Structure

**Establishing Evaluation Factors and Subfactors** . The acquisition team develops the evaluation factors, and any appropriate subfactors and elements. The team should select the factors based on user requirements, acquisition objectives, thorough market research and risk analysis. Figure 2-2 illustrates the steps involved in developing the factors and subfactors.

Once the RFP is issued, the factors and subfactors give the offerors insight into the significant considerations the Government will use in selecting the best value proposal and help them to understand the source selection process. Carefully consider whether minimum “go/no go” or “pass/fail” entry-gates, can be included. When used properly, this use of entry-gate criteria can streamline the evaluation process significantly.

**Conduct market research as a starting point for development of criteria in order to maximize competition**

**Conduct risk analysis in accordance with FAR 7.105 as necessary to support the acquisition.**

**Brainstorm critical factors and subfactors.**

**Identify key discriminators.**

**Define the discriminators as evaluation factors and subfactors, and their relative order of importance.**

**Obtain SSA approval of the list of factors and subfactors.**

**When a draft RFP is used, clearly inform offerors in the draft RFP of the proposed factors and subfactors, and their relative order of importance.**

**Assess feedback during presolicitation exchanges.**

**Get SSA approval as necessary to change the factors and subfactors before issuing the RFP.**

**Clearly inform offerors of the factors and subfactors, and their relative importance, in the formal RFP. Do not change the factors and subfactors after receipt of proposals except in extreme circumstances, and only then after obtaining SSA's approval and amending the RFP and SSP.**

*Figure 2-2 : Steps Involved in Formulating Evaluation Factors and Subfactors*

**Nongovernment Advisors** . Nongovernment advisors may assist in, and provide input, regarding the evaluation, but they shall not determine ratings or rankings of the offeror's proposals. Nongovernment sources can include academia, nonprofit institutions, and industry.

**Reminder:** When using nongovernment advisors, you must advise potential offerors of the nongovernment advisors' participation in the source selection, and obtain the offerors consent to provide access of its proprietary information to the nongovernment advisor, or the company which employs the nongovernment advisor. Figure 2-3 identifies suggested RFP language relative to the use of commercial firms to support the source selection process. (*Reference DOD Source Selection Procedures 2.2.8*)

(1) Offerors are advised that employees of the firms identified below may serve as non-government advisors in the source selection process. These individuals will be authorized access only to those portions of the proposal data and discussions that are necessary to enable them to perform their respective duties. Such firms are expressly prohibited from competing on the subject acquisition.

INSERT NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF FIRMS

(2) In accomplishing their duties related to the source selection process, the aforementioned firms may require access to proprietary information contained in the offerors' proposals. Therefore, pursuant to FAR 9.505<sup>4</sup>, these firms must execute an agreement with each offeror that states that they will (1) protect the offerors' information from unauthorized use or disclosure for as long as it remains proprietary and (2) refrain from using the information for any purpose other than that for which it was furnished. To expedite the evaluation process, each offeror must contact the above companies to effect execution of such an agreement prior to the submission of proposals. Each offeror shall submit copies of the agreement with their proposal.

**NOTE: This requirement shall flow down to all Subcontractors.**

*Figure 2-3: Suggested RFP Language for the use of Nongovernment Advisors*

**Source Selection for Services .** The source selection process for services, including development of the SSP, is often very complex. Organizations must ensure that the SST is comprised of qualified personnel with specific knowledge of the types of services to be acquired.

The use of Sample Tasks is an effective tool in the evaluation of services. Sample Tasks can provide insight as to the offeror's level of understanding of the work to be performed, as well as how the technical approach relates to the cost/price proposed for that Sample Task. See Appendix G for a sample of a Sample Task.

To the maximum extent practicable, sample tasks should set forth requirements that are contemplated for award to establish the expectation that offerors will be held accountable for the resources and costs they propose.

The use of generic or hypothetical sample tasks may unintentionally create an environment encouraging offerors to understate resources and costs in recognition of the fact that the sample tasks will not be awarded. Consequently, care must be taken to draft the sample tasks as closely as possible to the types and scope of services expected to be acquired from the Performance Work Statement (PWS). If possible, consider the use of a "live" task, which would be awarded at time of contract award.

Evaluation criteria should be limited to essential areas of performance that are measurable during the proposal evaluation process. This will permit a more focused evaluation of the offeror's proposed solution to the sample task.

If utilizing a sample task, ensure this is accounted for and aligned with Sections L and M.

## **2.3 Develop the Request for Proposals**

The success of an acquisition is directly linked to the quality of the RFP. A well-written RFP will:

Facilitate fair competition;

Convey a clear understanding of the government's requirements;

Clearly identify the evaluation and award criteria;

Clearly detail information required by the offerors;

Limit criteria to discriminators that add value and reduce risk;

Preserve the offeror's flexibility to propose innovative solutions when appropriate;

Specify areas where the offerors can make technical and cost tradeoffs in their proposals;

Ensure that Sections L and M relate back to each other and the SSP.

### **Ways to Improve the RFP Process**

**Ensure Consistency in the RFP and Related Documents.** RFP inconsistencies can create ambiguity and result in less advantageous offers, require RFP amendments, cause delays in the

acquisition, and result in litigation. Inconsistencies between the descriptions of the Government’s requirements, instructions on how to prepare a proposal, and information related to the evaluation factors and subfactors are particularly troublesome (may be caused by different groups of people developing the different RFP sections without proper coordination and review). Additionally, when one document is revised, those revisions must also be made to corresponding documents.

You may find it beneficial to develop a matrix that correlates the RFP sections and content to ensure consistency. Figure 2-4 illustrates how the key documents and evaluation standards map to one another and shows the recommended sequencing for document preparation. Provide industry with a copy of the matrix (make it part of the solicitation) as a reference tool to aid in proposal preparation. You may also consider including a column for offerors to complete in the tracking matrix (as shown in Figure 2-4), denoting where in their proposal the requirement is addressed. This approach promotes understanding of the linkage within the solicitation, explains how all parts of the proposal will be used in the evaluation process, and enables a crosswalk for both the government and offerors to ensure all requirements have been addressed.

<b>SPECIFICATION AND PWS</b>		<b>EVALUATION FACTORS, SUBFACTORS EVALUATION AND SUBMISSION INFORMATION</b>		<b>PROPOSAL REFERENCE</b>
<b>SPECIFICATION</b>	<b>PWS</b>	<b>PROPOSAL EVALUATION INFORMATION RFP Section M Factor - Technical Subfactor - Software Modification Approach</b>	<b>PROPOSAL SUBMISSION INFORMATION RFP Section L</b>	<b>OFFEROR TO COMPLETE Provide Page and Paragraph Number Where Addressed</b>
Software code shall meet the computer software design and coding requirements as defined in International Standards Organization (ISO) 9000-3.	3.1.1. The contractor shall modify, integrate and test software as specified in the system Specification. 3.1.1.3 The contractor shall prepare a software modification plan.	The offeror's software modification approach will be evaluated relative to the modified software's ability to accommodate open architecture, tracking accuracy, and reliability.	The offeror will describe its approach to software modification and explain how the software will accommodate open architecture, conforms to ISO-9000-3, tracks accurately, and maintains reliability.	

Figure 2-4 Requirements to RFP to Proposal Tracking Matrix

**Avoid Requesting Too Much Information from the Offerors.** Instructions for preparing and

submitting proposals are critical to the acquisition. Always keep in mind:

There must be a direct linkage between solicitation requirements and objectives, each evaluation factor and subfactor, and the proposal preparation instructions.

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

Never ask for information that will not be evaluated. Instructions that require voluminous information can unintentionally limit or reduce competition by causing potential offerors to forego responding to the solicitation in favor of a less costly business opportunity.

Excessively large proposals may increase the time and costs associated with performing the evaluation. Proposal page limitations or page recommendations are encouraged but need to be clearly defined and tailored to the needs of the acquisition.

Focus exclusively on **true discriminators** (discriminators linked to critical requirements based on market research and the assessment of risk and that enable the evaluation to discern between the values of the offeror's proposal). Failure to do so dilutes the evaluation and compromises the SSA's ability to identify the best value proposal.

Use Performance-Based Requirements. Use of detailed design requirements or overly prescriptive performance work statements severely limits the offerors' flexibility to propose their best solutions. Instead, use functional or performance-based requirements to the maximum extent practicable. While it may be more difficult to develop evaluation criteria and conduct the evaluation process using this approach, the benefits warrant it. These benefits include increased competition, access to the best commercial technology, better technical solutions, and fewer situations for protests.

### **Drafting Instructions to Offerors (Section L or Equivalent)**

***Provide specific guidance to offerors regarding the structure of their proposals*** . The proposal should be divided into distinct volumes or files. These volumes/files should correlate to each of the evaluation teams (e.g. technical, cost/price, past performance, etc.). You should also prescribe how each volume/file is to be structured. These practices will facilitate distributing the proposal material to the various teams and will make it easier for evaluators to locate specific information in the proposals.

**Note:** Clearly advise offerors to keep technical and pricing information separate, and not intermixed between proposal volumes.

**Past Performance Information** . Tailor the proposal submission requirements to reflect the complexity of the procurement and the relative importance assigned to past performance. Request only the information necessary for the evaluation, and consider the following when developing proposal submission requirements:

***Contract references.*** Request offerors to submit a list of Government and non-Government contract references (including contract number, type, and dollar value; place of performance; date of award; whether performance is on-going or complete; extent of subcontracting; and the names, phone numbers, and e-mail addresses of at least two points of contacts for each contract);

Require the list to include all relevant on-going contracts, or contracts completed during a specified period. This approach will provide an 'unfiltered' view of the offeror's contract efforts, not just the 'select' contract efforts. If you anticipate the number of contracts will be excessive, limit the

submission to a specified number of the most recent, relevant contracts. In such cases, require the contracts to have been active for a specified period of time, since newly awarded contracts will probably not provide sufficient information.

Limit the specified period to contracts performed within the last three years (six years for construction) from the RFP release date. A shorter period may be appropriate for acquisitions where there are numerous actions and/or many vendors providing the required items.

When offerors are likely to be large, multi-function firms, limit the contract references to those performed by the segment of the firm (e.g. division, group, and unit), that is submitting a proposal.

**Past Performance Information of a Prospective Subcontractor.** When you intend to evaluate subcontractors' past performance, explain how you will handle any related adverse past performance information. In some acquisitions, an offeror's prospective subcontractor may be the offeror's competitor on other acquisitions. In such cases, the prospective subcontractor may be hesitant to have any adverse information related to its past performance released to the offeror. You should tailor your acquisition accordingly and advise offerors in the RFP how you will handle disclosure of such information.

**Questionnaires.** You may utilize questionnaires or interviews to obtain the information from individuals having knowledge about the offeror's past performance, such as contract points of contact. Consider the following when using questionnaires:

Keep the questionnaire short. Typically, it should be no longer than 1-2 pages; long surveys are not returned timely, if at all.

Format the questionnaire to easily facilitate electronic completion (e.g. fill-in blocks, and electronic checkboxes).

Include a copy of the questionnaire in the RFP.

Either distribute the questionnaires to the points of contact or have the offerors distribute the questionnaires. Where the government is sending out the questionnaires, and when practical, contact the respective point of contact prior to sending out the survey and emphasize the importance of their returning the completed surveys to the government promptly. Having the offerors send out the questionnaires may save time and resources.

**Relevant Past Performance.** Include in the RFP a definition of what constitutes relevant past performance. Factors that may be used to define relevancy include similarity size, complexity, dollar value, contract type, and degree of subcontracting/teaming. As appropriate, require the offeror to provide a description of how the contract references are relevant to the immediate acquisition. In some cases, previous contracts as a whole may be relevant to the immediate acquisition, while only portions of other contracts may be relevant.

**Small Business Participation . The Army methodology for evaluating Small Business Participation in unrestricted source selections is to establish a separate factor** (versus a subfactor under technical) **with an assigned relative order of importance** for Small Business Participation as it relates to the other source selection evaluation factors. The factor shall be designed to require all offerors (both small and large businesses) to submit proposed Small Business Participation Plans to identify the extent to which small businesses will participate in the performance of the proposed acquisition.

**Proposal Submission Instructions .** The submission instructions should be written clearly enough

to indicate that:

Large business contractors may achieve the small business participation goals through subcontracting to small businesses.

Small business contractors may achieve small business participation goals through their own performance/participation as a prime and also through a joint venture, teaming arrangement, and subcontracting to other small businesses.

***Small Business Participation Proposal*** . The Small Business Participation proposal format is designed to streamline and bring uniformity to responses and evaluations for Small Business Participation (FAR 15.304). The format provides clarity in that it is distinctly different than the Small Business Subcontracting Plan required for large businesses only (FAR 52.219-9). A sample Small Business Participation Proposal format is located at Appendix E, and can be provided in the Instructions to offerors, or as an attachment to the RFP.

***Subcontracting Plan***. Separate from the Small Business Participation Plan, other than U.S. Small Business Offerors must also submit a subcontracting plan meeting the requirements of FAR 52.219-9 and DFARS 252.219-7003 (or DFARS 252.219-7004 if the offeror has a comprehensive subcontracting plan).

Other than U.S. Small Businesses must submit acceptable subcontracting plans to be eligible for award. Subcontracting Plans shall reflect and be consistent with the commitments offered in the Small Business Participation Plan.

When an evaluation assesses the extent that small businesses are specifically identified in proposals, the small businesses considered in the evaluation shall be listed in any subcontracting plan submitted pursuant to FAR 52.219-9 to facilitate compliance with 252.219-7003(e).

***Drafting Evaluation Criteria (Section M or Equivalent)***

In Section M (or equivalent) of the RFP, clearly state how each factor will be evaluated, and its relative importance.

***Past Performance Information*** . Clearly stated how past performance will be evaluated, its relative importance, and how offerors with no relevant past performance will be evaluated. Consider the following when drafting this section:

***Use Past Performance to streamline the source selection process***. Instead of evaluating management as a separate evaluation factor, consider assessing management effectiveness in meeting Technical and Schedule requirements as part of the past performance evaluation. Using past performance in this way may, under appropriate circumstances, eliminate the need for the offeror to submit management and quality plans.

***Past Performance Considerations***. At a minimum, consider the offeror's record of complying with contractual requirements in the areas of schedule, technical quality, and cost control (for cost reimbursement contracts). You may also consider the offeror's record of business relations. Tailor the scope of the areas considered to the immediate acquisition.

***Small Business Participation*** . All offerors (both large and small businesses) will be evaluated on the level of proposed participation of U.S. small businesses in the performance of the contract (as small business prime offerors or small business subcontractors) relative to the objectives and goals established herein. The government may evaluate:



The extent to which such firms, as defined in FAR Part 19, are specifically identified in proposals;

The extent of commitment to use such firms (and enforceable commitments will be considered more favorably than non-enforceable ones);

Identification of the complexity and variety of the work small firms are to perform;

The realism of the proposal;

Past performance of the offerors in complying with requirements of the clauses at FAR 52.219-8, Utilization of Small Business Concerns, and 52.219-9, Small Business Subcontracting Plan; and

The extent of participation of small business prime offerors and small business subcontractors. ***The Army's preferred methodology for evaluating Small Business Participation goals in source selections is in terms of the percentage of the value of the total acquisition.*** However, it is permissible to set goals as a percentage of 'planned subcontracting' dollars.

Small Business Participation goals must be based on market research for each acquisition.

The dollars should correlate directly to the percentage of subcontracted dollars in the Small Business Subcontracting Plan for large businesses. The contracting activity's assigned subcontracting goals may be used when market research results show that goals are achievable.

Small business prime offerors shall be advised that their own participation as a prime counts towards the percentages set in this evaluation factor, and small businesses shall not be required to subcontract to other small businesses in order to achieve the small business participation goals.

Requiring offerors to provide both the percentage and total dollars to be performed by small businesses will ensure consistency in the evaluation. ( **Note:** Utilizing total contract dollars is more definitive in minimizing negative impacts on small businesses when services previously performed by small businesses are consolidated into an unrestricted acquisition).

Total Contract Dollars Example (Preferred) : This scenario provides clearer results for the evaluation. *Scenario:* Small Business Participation goal is set at 15% of total contract dollars on a procurement valued at \$1,000,000:

Large Business Offeror A: 20% (20% of \$1,000,000 = \$200,000)

Large Business Offeror B: 25% (25% of \$1,000,000 = \$250,000)

Small Disadvantaged Business (SDB) Offeror C: 15% (SDB **self-performs** 15% of the \$1,000,000 = \$150,000)

Sample language: The extent to which the Offeror meets or exceeds the goals: Goals for this procurement are -- Small Business: **{a%}** of the total contract value; Small Disadvantaged Business (SDB): **{b%}** of the total contract value; Woman-Owned Small Business (WOSB): **{c%}** of the total contract value; Historically Underutilized Business Zone (HUBZone) Small Business: **{d%}** of the total contract value; Veteran Owned Small Business (VOSB): **{e%}** of the total contract value; Service Disabled Veteran Owned Small Business (SDVOSB): **{f%}** of the total contract value. **(NOTE** : For example, a participation plan that reflects **{c%}** of the contract value for WOSB would also count towards the overall Small Business Goal; and percentages for SDVOSB also count towards VOSB).

Percentage of Subcontracted Dollars Example (Least Preferred) : Since each Offeror in the scenario below is allowed to determine how much of the work is planned for subcontracting, the basis for the evaluation could be flawed since the planned subcontracting will differ for each Offeror. *Scenario:* Small Business Participation goal is set at 15% of the planned subcontracted dollars on a procurement valued at \$1,000,000:

Large Business Offeror A: 20% (20% of \$200,000 planned for subcontracting = \$40,000)

Large Business Offeror B: 25% (25% of \$10,000 planned for subcontracting = \$2,500)

SDB Offeror C: 15% (SDB **self-performs** 15% of the total contract = \$150,000)

Sample language: (Alternate when using planned subcontracted dollars) The extent to which the Offeror meets or exceeds the goals: Goals for this procurement are -- Small Business: { a % } of the total subcontracted dollars; SDB: { b % } of the total subcontracted dollars; WOSB: { c % } of the total subcontracted dollars; HUBZone: { d % } of the total subcontracted dollars; VOSB: { e % } of the total subcontracted dollars; SDVOSB: { f % } of the total subcontracted dollars.

**Establishing Relative Importance** . When using the tradeoff process, you must assign relative importance to each evaluation factor and subfactor. Tailor the relative importance to your specific requirements.

Use priority statements to express the relative importance of the evaluation factors and subfactors. Priority statements relate one evaluation factor (or subfactor) to each of the other evaluation factors (or subfactors). Figure 2-5 below contains a sample priority statement. (*Reference DOD Source Selection Procedures 2.3.5*)

**Reminder** : Numerical weighting (i.e., assigning points or percentages to the evaluation factors and subfactors), is **NOT** an authorized method of expressing the relative importance of evaluation factors and subfactors (see AFARS 5115.304(b)(2)(B)).

The Technical, Past Performance and the Small Business Participation Factors, when combined, are significantly more important than cost or price. Technical is significantly more important than Past Performance and Small Business Participation, which are equal. The Past Performance and Small Business Participation Factors are more important than the Cost Factor.

*Figure 2-5 : Sample Priority Statement*

## **2.4 Release the Request for Proposals - No Army Text**