

## 15.304 Evaluation factors and significant subfactors.

(a) The award decision is based on evaluation factors and significant subfactors that are tailored to the *acquisition*.

(b) Evaluation factors and significant subfactors *must*-

(1) Represent the key areas of importance and emphasis to be considered in the source selection decision; and

(2) Support meaningful comparison and discrimination between and among competing proposals.

(c) The evaluation factors and significant subfactors that apply to an *acquisition* and their relative importance, are within the broad discretion of agency *acquisition* officials, subject to the following requirements:

(1)

(i) Price or cost to the Government *shall* be evaluated in every source selection ([10 U.S.C. 3206\(c\)\(1\)\(B\)](#) and [41 U.S.C. 3306\(c\)\(1\)\(B\)](#) (also see part 36 for architect-engineer contracts), subject to the exception listed in paragraph (c)(1)(ii)(A) of this section for use by DoD, NASA, and the Coast Guard.

(ii) In accordance with [10 U.S.C. 3206\(c\)](#), for DoD, NASA, and the Coast Guard—

(A) The *contracting officer* may choose not to include price or cost as an evaluation factor for award when a *solicitation*—

(1) Has an estimated value above the *simplified acquisition threshold*;

(2) Will result in *multiple-award contracts* (see subpart [16.5](#)) that are for the same or similar services; and

(3) States that the Government intends to make an award to each and all *qualifying offerors* (see 2.101).

(B) If the *contracting officer* chooses not to include price or cost as an evaluation factor for the contract award, in accordance with paragraph (c)(1)(ii)(A) of this section, the *contracting officer* *shall* consider price or cost as one of the factors in the selection decision for each order placed under the contract.

(C) The exception in paragraph (c)(1)(ii)(A) of this section *shall* not apply to *solicitations* for *multiple-award contracts* that provide for sole source orders pursuant to section 8(a) of the Small Business Act ([15 U.S.C. 637\(a\)](#)).

(2) The quality of the product or service *shall* be addressed in every source selection through consideration of one or more non-cost evaluation factors such as *past performance*, compliance with *solicitation* requirements, technical excellence, management capability, personnel qualifications, and

prior experience ([10 U.S.C. 3206\(c\)\(1\)\(A\)](#) and [41 U.S.C. 3306\(c\)\(1\)\(A\)](#)); and

(3)

(i) *Past performance*, except as set forth in paragraph (c)(3)(iii) of this section, *shall* be evaluated in all source selections for negotiated competitive *acquisitions* expected to exceed the *simplified acquisition threshold*.

(ii) For *solicitations* that are not set aside for small business concerns, involving consolidation or *bundling*, that *offer* a significant opportunity for subcontracting, the *contracting officer shall* include a factor to evaluate *past performance* indicating the extent to which the *offeror* attained applicable goals for small business participation under contracts that required subcontracting plans ([15 U.S.C. 637\(d\)\(4\)\(G\)\(ii\)](#)).

(iii) *Past performance* need not be evaluated if the *contracting officer* documents the reason *past performance* is not an appropriate evaluation factor for the *acquisition*.

(4) For *solicitations*, that are not set aside for small business concerns, involving consolidation or *bundling*, that *offer* a significant opportunity for subcontracting, the *contracting officer shall* include proposed small business subcontracting participation in the subcontracting plan as an evaluation factor ([15 U.S.C. 637\(d\)\(4\)\(G\)\(i\)](#)).

(5) If telecommuting is not prohibited, agencies *shall* not unfavorably evaluate an *offer* that includes telecommuting unless the *contracting officer* executes a written determination in accordance with FAR [7.108\(b\)](#).

(d) All factors and significant subfactors that will affect contract award and their relative importance *shall* be stated clearly in the *solicitation* ([10 U.S.C. 3206\(b\)\(1\)](#) and [41 U.S.C. 3306\(b\)\(1\)](#)) (see [15.204-5\(c\)](#)). The rating method need not be disclosed in the *solicitation*. The general approach for evaluating *past performance* information *shall* be described.

(e) Unless the exception at paragraph (c)(1)(ii)(A) of this section applies, the *solicitation shall* also state, at a minimum, whether all evaluation factors other than cost or price, when combined, are—

(1) Significantly more important than cost or price;

(2) Approximately equal to cost or price; or

(3) Significantly less important than cost or price ([10 U.S.C. 3206\(c\)\(1\)\(C\)](#) and [41 U.S.C. 3306\(c\)\(1\)\(C\)](#)).

**Parent topic:** [Subpart 15.3 - Source Selection](#)