

# Evaluation Procedures

## EVALUATION BASIS FOR AWARD

### 1. Basis for Contract Award

This acquisition will utilize the Tradeoff source selection procedures in accordance with Federal Acquisition Regulation (FAR) 15.101-1 as supplemented by the DoD Source Selection Procedures referenced in Defense Federal Acquisition Regulation Supplement (DFARS) 215.300 to make an integrated assessment for a best value award decision. The Government intends to award one contract as a result of this solicitation. In using the best value approach, the Government seeks to award to the offeror who gives the Government the greatest confidence that it will best meet the requirements affordably in a way that will be advantageous to the Government. This may result in an award to a higher rated, higher priced offeror where the decision is consistent with the evaluation factors and the Source Selection Authority (SSA) reasonably determines that the technical superiority and/or overall business approach and/or superior past and present performance of the higher priced offeror outweighs the price difference. To arrive at a best value decision, the SSA will integrate the source selection team's evaluations of the factors and subfactors described in this provision. The tradeoff process, by its nature, is subjective; therefore, professional judgment is implicit throughout the selection process. Award will be made to the responsible offeror whose proposal conforms to all solicitation requirements, such as terms and conditions, representations and certifications, technical requirements, and also provides the best value to the Government based on the results of the evaluation described in paragraph 2 below. Contract terms and conditions consistent with customary commercial practices are specified in the solicitation/contract, with otherwise tailored terms and conditions specified in the solicitation.

The Government intends to hold discussions, but reserves the right to award without discussions if determined necessary. Any discussions will be conducted in accordance with FAR 15.306.

If the Contracting Officer determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the Contracting Officer, with the concurrence of the Source Selection Authority, may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.

### 2. Factors and Subfactors and Relative Importance.

A. A detailed and complete analysis of each offeror's proposal will be performed. The Government's evaluation will be based on the following factors and subfactors:

#### Factor 1: Technical

Subfactor 1: Quality Control

Subfactor 2: Product Management

## **Factor 2: Management**

### **Subfactor 1: Order Fulfillment**

### **Subfactor 2: Risk Management**

### **Subfactor 3: Transition Plan**

## **Factor 3: Past Performance**

## **Factor 4: Small Business Participation Plan**

## **Factor 5: Price**

**Scenario Based Responses** – will be evaluated under Technical Subfactors, Quality Control and Product Management and Management Subfactor, Order Fulfillment.

**Relative Importance of Each Factor and Subfactor.** The evaluation factors in the tradeoff decision are technical, management, past performance, Small Business Participation Plan, and price. Technical, Management, Small Business Participation and past performance are weighted equally and when combined, are significantly more important than price factors.

### **Proposal Evaluation.**

The evaluation process will be accomplished as follows: Each offeror's proposal shall be evaluated based on the factors/subfactors below, to determine if the offeror provides a sound, compliant approach that meets the requirements of the Statement of Work (SOW) and Product Item Descriptions (PID), and demonstrates a thorough knowledge and understanding of those requirements and their associated risks. The technical and management proposals must address each of the following subfactors in sufficient detail. For each subfactor, the offeror identifies risks, if any, associated with the proposed approach and actions the offeror will take to mitigate the identified risks. If no risks/mitigations are identified in the offeror's proposal, it indicates the offeror does not consider there to be any risk associated with their proposed approach. If any subfactor is rated as unacceptable, the overall factor will be rated as unacceptable.

### **B. Technical Evaluation:**

**Subfactor 1: Quality Control:** The proposal shall be evaluated and rated based on the methodology for maintaining shelf life/stock rotation plans or testing plans to ensure compliance with product quality and control standards established in the SOW. The proposal shall describe in detail:

- Issues regarding product testing, such as lot acceptance testing, shelf-life recertification, production lot testing, or first article testing
- Procedures used for inspections for product and end item packaging / marking
- Actions that are required to address spills, management of actions taken to correct and report spills
- Appropriate preventative actions that may be employed to protect the inventory.

- Process for management of the Safety Data Sheet (SDS) repository and the associated tracking of the items to each delivery order.
- Specific compliances to required ISO 9001 or equivalent will be verified by providing certification or appropriate documents demonstrating compliance with required standards for the offeror and all affected subcontractors.
- Describe effective measures for Hazardous Material (HAZMAT) items identified in this population, that demonstrates compliance with federal, state and local laws and regulations
- Scenario Based Response: Your response to the Scenario Based Question #1 will be evaluated as part of this subfactor and rated as part of the evaluation of this subfactor.

**Subfactor 2: Product Management:** The proposal shall demonstrate the offeror's ability to support the Government's technical requirements in the PIDs and Commercial Item Descriptions (CID). Offeror must demonstrate a capability to:

- Identify additional or new sources
- Conduct quality testing and reporting technical documentation to the government in support of proposed product changes
- Explain the process for preparing products for shipment and the compliance with the applicable federal, state, and local requirements
- Identify the plan and actions that will be taken to address product deficiencies and discrepancies
- Provide accurate, compliant SDS and Hazardous Warning Labels (HWL) for all products identified in the Active NIIN / Schedule of Supplies (Attach. 2) and the Inactive NIINs (Attach. 3). This submittal must demonstrate the offeror's overall understanding of the requirement for a complete data submittal.
- Provide adequate commercial warranty that is consistent for all items. This warranty must outline all warranty provisions and will be evaluated to insure that overseas shipments will be covered until supplies are received at their final destination. CONUS items will be warranted for a minimum of 90 days from receipt.
- Scenario Based Response: Your response to the Scenario Based Question #2 will be evaluated as part of this subfactor and rated as part of the evaluation of this subfactor.

## C. Management

**Subfactor 1: Order Fulfillment:** Offeror shall address the process of Electronic Data Interchange (EDI) order processing from receipt of government order to complete fulfillment to include all inventory under control of the contractor. Offeror's proposal shall demonstrate the following:

- All actions described must consider the established Time Definite Delivery (TDD) requirements of the SOW.
- Describe the contract delivery order tracking system.

- Description of actions will provide detail on the specific packaging, repackaging, marking, and shipment information.
- Specific detail for all of the various forms of transportation that will be employed to supports shipments for this contract.
- Provide actions that identify and correct misdirected shipments.
- Support for the approved property management plan that addresses control of Vendor Managed Inventory (VMI).
- Provide action plan for addressing customer complaints.
- Identify the specific differences in support for domestic versus overseas shipments.
- Scenario Based Response: Your response to the Scenario Based Question #3 will be evaluated as part of this subfactor and rated as part of the evaluation of this subfactor.

**Subfactor 2: Risk Management:** Offeror shall address a comprehensive approach to the total program addressing all aspects of the supply chain. The offeror’s proposal shall demonstrate the following:

- Identify and address specific risks that may impact this program, including implementation and long-term management
- Provide detail regarding subcontractor and vendor management that encompasses the entire population of active NIINS (Attach. 2) and inactive items (Attach. 3)
- Ability to manage and address all issues associated with subcontractor management, item shipping and handling, ensuring compliance to TDD standards
- Ability to manage the specific hazardous material characteristics for these products.
- Demonstrate the ability to identify specific quantitative and qualitative risks and effective mitigation strategies that demonstrate the clear ability to ensure uninterrupted performance at the required level of support

**Subfactor 3: Transition plan:** The offeror shall provide all elements of transition from contract award through Initial Operational Capability (IOC) to Full Operational Capability (FOC). The offeror’s proposal must demonstrate the following:

- Dated milestones must be identified for each step of the plan.
- Identify specific government actions that may be required to support implementation.
- Any actions that will cause a delay and impact the successful FOC must be clearly identified.

**Combined Ratings:**

- **Combined Technical / Risk Rating:** The offeror’s technical solutions will be rated concurrently with the risk associated with its approach. The combined technical/risk rating includes consideration of risk in conjunction with the

strengths, weaknesses, and deficiencies in determining technical ratings. Combined technical/risk evaluations shall utilize the combined technical/risk ratings listed in Table 1 below. Whenever strength is identified as part of the rating, an assessment of whether it would likely cause an impact to schedule, cost or performance will be included. If any subfactor is determined to be unacceptable, the overall factor rating will be unacceptable.

<b>TABLE 1 – COMBINED TECHNICAL/RISK RATINGS</b>		
<b>Color</b>	<b>Rating</b>	<b>Description</b>
<b>Blue</b>	<b>Outstanding</b>	<b>Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. <u>Strengths</u> far outweigh any weaknesses. Risk of unsuccessful performance is very low.</b>
<b>Purple</b>	<b>Good</b>	<b>Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains strengths which outweigh any weaknesses. Risk of unsuccessful performance is low.</b>
<b>Green</b>	<b>Acceptable</b>	<b>Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Strengths and weaknesses are offsetting or will have little or no impact on contract performance. Risk of unsuccessful performance is no worse than moderate.</b>
<b>Yellow</b>	<b>Marginal</b>	<b>Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements. The proposal has one or more weaknesses which are not offset by strengths. Risk of unsuccessful performance is high.</b>
<b>Red</b>	<b>Unacceptable</b>	<b>Proposal does not meet requirements and contains one or more deficiencies. Proposal is unawardable.</b>

- **Management / Risk:** The Management evaluation will be rated based on the offeror's written proposal. The evaluation team will pay particular attention the organizational capability of the offeror in performing the requirements, the transition plan in performing the requirements, and the mitigation of risk in performing the requirements. The offeror's management solutions will be rated in accordance with Table 1 above.

**D. Factor 3: Past Performance.** The past performance assessment will assess the confidence in the offerors / critical subcontractors to successfully accomplish the proposed effort based on the offeror's demonstrated present and past work record. A critical subcontractor is defined as any subcontractor providing support for technical compliance which represents a significant out-sourced capability such as HAZMAT testing capability, source of packaging / repackaging, or warehouse or storage facilities. Material sources of supply are not considered critical subcontractors.

The Government will evaluate the offeror's/ the critical subcontractors' demonstrated record of contract performance in supplying products and services that meet users' needs, including price and schedule. The recency and relevancy of the information, the source of the information, context of the data and general trends in the contractor's performance will be considered. More recent and more relevant performance usually has a greater impact in the confidence assessment than less recent and less relevant performance. For purposes of this evaluation, recency is defined as active or completed efforts performed within the past three (3) years from the closing date of this solicitation. The Government will perform an independent determination of relevancy of the data provided or obtained. A relevancy determination will be made for each of the recent four (4) submitted contracts for the offeror and two (2) submitted contracts for each identified critical subcontractor. For the Offeror, no more than four (4) contracts should be submitted for consideration. For each identified critical subcontractor, no more than two (2) contracts should be submitted for consideration. In both cases, any more will not be evaluated. If additional contracts are submitted, they will be evaluated in order of submission up to the required number. The Government is not bound by the offeror's opinion of relevancy. The following relevancy criteria apply and will be assigned to each effort identified in the offeror's Volume 5 of its proposal:

<b>PAST PERFORMANCE RELEVANCY RATINGS</b>	
<b>Rating</b>	<b>Definition</b>
Very Relevant	Present/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.
Relevant	Present/past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Present/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires.

Not Relevant	Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.
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**Very Relevant** – Has performed commercial or government logistics or supply chain management contracts that have supported processing individual transactions in excess of 8,000 per month; includes hazardous materials handling, packaging or repackaging requirements; supports multiple transportation modes to include those bound for overseas final delivery; compliance with federal, state, and local regulations including hazardous or regulated materials; has experience in handling / supporting at least 3 of the Federal Stock Classes (FSC) included in this contract to include FSC 9150; experience managing and maintaining a diverse vendor base exceeding 250 sources.

**Relevant** – Has performed commercial or government logistics or supply chain management contracts that have supported processing individual transactions in excess of 5,000 per month; packaging or repackaging requirements; supports multiple transportation modes; compliance with federal, state, and local regulations including hazardous or regulated materials; has experience in handling / supporting at least 2 of the FSCs included in this contract; experience managing and maintaining a diverse vendor base exceeding 100 sources.

**Somewhat Relevant** - Has performed commercial or government logistics or supply chain management contracts that have supported processing individual transactions in excess of 1,000 per month; supports multiple transportation modes; compliance with federal, state, and local regulations including hazardous or regulated materials; has experience in handling / supporting at least 1 of the FSCs included in this contract; experience managing and maintaining a diverse vendor base exceeding 50 sources.

**Not Relevant:** Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

**NOTE:** Scope and magnitude of effort and complexities in the above definitions not only includes the technical features and characteristics identified for each effort, but also the logistical and programmatic considerations including but not limited to quantity produced, length of effort, dollar values, type and complexity of products supported. When assigning a relevancy rating to a contract effort, the Government will consider the technical complexities, and the programmatic/logistical scope and magnitude of effort as separate aspects. If both of these aspects are not reflected in the submitted contract effort, the overall relevancy rating assigned to that contract will be affected. For example, if the submitted contract meets essentially the same technical complexities, but involves only some of the programmatic/logistical scope and magnitude of effort, a lesser relevancy rating may be assigned.

In assessing past performance, the Government will employ several approaches, including, but not limited to:

(i) The Past Performance Team evaluation is not limited to review of the information provided in the offeror’s Present/Past Performance volume. Present/Past performance information shall be obtained from the Government’s Federal Awardee Performance and

Integrity Information System (FAPIS) and the Past Performance Information Retrieval System (PPIRS). The Government reserves the right to use performance information from other sources such as Defense Contract Management Agency (DCMA), Fee Determining Officials, or commercial sources. Data from previous source selections may be used if the data is recent and relevant.

(ii) Offerors/critical subcontractors shall be given an opportunity to address adverse past performance information if the offeror or critical subcontractor has not had a previous opportunity to respond to the information. Recent contracts will be examined to ensure that corrective measures have been implemented. The confidence assessment will consider issues including but not limited to the number and severity of the problems, the appropriateness and/or effectiveness of any corrective actions taken (not just planned or promised), and the overall work record. Prompt corrective action in isolated instances may not outweigh overall negative trends.

(iii) For offerors/critical subcontractors that are newly formed entities (in existence less than three (3) years from the closing date of this solicitation) who either have no prior contracts or do not possess relevant corporate past performance, but have key personnel with relevant past performance while employed by another company, the quality of such key personnel's performance as verified by the Past Performance Team will be considered if the submitted contract involves the key personnel performing the same role currently being proposed on the instant acquisition and this performance occurred during the past three (3) years from the issuance date of this solicitation. The Government will take into account past performance information regarding predecessor companies, affiliates, other divisions, or corporate management if such was provided for evaluation and if the offeror's past performance volume demonstrates the company, affiliate, or division will provide the offeror with resources for the instant proposed effort, such as workforce, management, facilities, or other capabilities demonstrating direct and meaningful involvement in the performance of the proposed instant effort.

(iv) The Government shall consider an offeror's/ critical subcontractor's contracts in the aggregate should the present and past performance lend itself to this approach. That is, an offeror's four (4) contracts may by definition represent only a rating less than very relevant when each contract is considered as a stand-alone effort. However, when these contracts are performed concurrently (in part or in whole) and are assessed in the aggregate, the work may reflect greater magnitude of complexities and/or magnitude of effort and such may be reflected in the confidence assessment. A critical subcontractor's two (2) contracts may by definition represent only a rating less than very relevant when each contract is considered as a stand-alone effort. However, when these contracts are performed concurrently (in part or in whole) and are assessed in the aggregate, the work may reflect greater magnitude of complexities and/or magnitude of effort and such may be reflected in the confidence assessment. The Government may consider a critical subcontractor's submitted contracts in the aggregate in this same manner if their submitted efforts were performed concurrently (in part or in whole). Then considering the offeror's /critical subcontractor's respective role and their work in aggregate as well as the critical subcontractor(s) role and their work in aggregate, a confidence assessment rating will be assigned for the team as a whole.

As a result of the recency, relevancy, and quality assessments of the contracts evaluated, one confidence assessment rating as described in the DoD Source Selection Procedures will be assigned to the Past Performance factor. The performance confidence assessment ratings are excerpted below.

<b>PERFORMANCE CONFIDENCE ASSESSMENTS</b>	
<b>Rating</b>	<b>Description</b>
Substantial Confidence	Based on the offeror’s recent/relevant performance record, the Government has a high expectation that the offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the offeror’s recent/relevant performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort.
Limited Confidence	Based on the offeror’s recent/relevant performance record, the Government has a low expectation that the offeror will successfully perform the required effort.
No Confidence	Based on the offeror’s recent/relevant performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort.
Unknown Confidence/Neutral	No recent/relevant performance record is available or the offeror’s performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned.

Offerors without a record of past performance, or for whom information is so sparse that no confidence assessment rating can be reasonably assigned, will not be evaluated favorably or unfavorably on past performance and, as a result, will receive an “Unknown Confidence” rating. A strong record of relevant past performance may be considered more advantageous to the Government than an “Unknown Confidence” rating.

**E. Factor 4: Small Business Participation Plan Evaluation Approach:**

All Offerors (both small and large businesses) will be evaluated on the level of proposed participation of U.S small businesses in the performance of the acquisition (as Small Business prime Offerors or small business subcontractors) relative to the objectives established herein. The Government will evaluate:

The extent to which such firms are specifically identified in proposals;

- The extent of commitment to use such firms (for example, enforceable commitments are to be weighted more heavily than non-enforceable ones);
- 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 such firms in terms of the value of the total acquisition.

The DoD's small business prime goals are provided for consideration in the development of individual Offeror goals: Small Business: 21.60% of the total contract value; Small Disadvantaged Business: 5% of the total contract value; Women-Owned Small Business: 5% of the total contract value; Historically Underutilized Business Zone (HUBZone) Business: 3% of the total contract value; Service Disabled Veteran Owned Small Business: 3% of the total contract value.

Once the final goals are negotiated and accepted by the government it will be incorporated into the contract as the Offeror requirement for this acquisition.

The Government will rate the offerors Small Business Participation Factor proposal using Table 1 above.

**F. Factor 5: Price.** The offeror's Price proposal will be evaluated for Reasonableness, Balance, and Total Evaluated Price (TEP).

- i. **Reasonableness.** Adequate price competition is expected to support the determination of reasonableness. Price analysis techniques may be utilized to further validate price reasonableness. If adequate price competition is not obtained the contracting officer will comply with DFARS 215.371.
- ii. **Balance.** Unbalanced pricing is discussed in FAR 15.404-1(g). Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly overstated or underestimated as indicated by the application of analysis techniques. The Government shall analyze offers to determine whether unbalanced separately priced line items exist. Offers that are determined to be unbalanced may be rejected if the lack of balance poses an unacceptable risk to the Government.
- iii. **Total Evaluated Price.** A TEP will be calculated for evaluation purposes only and used to assist in determining the best value to the Government. Proposals shall be evaluated, for award purposes, based upon the total price proposed for items identified for pricing which are applicable to the basic requirements and other price-related issues. The TEP shall include all prices associated with providing the final items to the Government. The TEP will be calculated as the sum of the following:
  - All items to be priced in Attachments 2 of the RFP, at the quantities stated.

- The total material price will be calculated by multiplying proposed price times estimated annual demand times 9. The years will be totaled to arrive at a 9-year material contract value.
- Throughput Fee will be identified by the Contractor in its Material Price proposal as a percentage of the material price and will be evaluated as part of the total Material NSN Pricing.
- Management Fee will be evaluated by adding the fee offered for each year to arrive at a ten-year value.
- Transition fee—the one year transition fee will be included in the TEP.
- Offerors are advised that the evaluation of item prices shall not obligate the Government to award each item.