#  SECTION M EVALUATION BASIS FOR AWARD

* 1. **BASIS FOR CONTRACT AWARD:**

## Source Selection Methodology

This is a competitive, Subjective Trade-Off Source Selection conducted in accordance with (IAW) Federal Acquisition Regulation (FAR) 15, *Contracting by Negotiation*, and FAR 12, *Acquisition of Commercial Products and Commercial Services*, as supplemented by the Defense Federal Acquisition Regulation Supplement (DFARS), the Defense Logistics Agency (DLA) Directive (DLAD), Department of Defense (DoD) Source Selection Procedures dated 20 August 2022, and DLA Aviation Acquisition Workforce Guide (DAAWG).

The Government will select the best overall offer, based upon an integrated assessment of Technical Approach/Technical Risk (Evaluation Factors 1, 2, and 4), Past Performance (Evaluation Factor 3), and Cost/Price (Evaluation Factor 5). The contract may be awarded to the Offeror who is deemed responsible IAW the FAR, as supplemented, whose proposal conforms to the solicitation’s requirements (to include all stated terms, conditions, representations, certifications, and all other information required by Section L of this solicitation) and is judged, based on the evaluation factors and subfactors to represent the best value to the Government.

In using a Subjective Trade-Off best-value approach, the Government seeks to award to the Offeror who gives DLA the greatest confidence that it will best meet or exceed requirements affordably in a way that will be advantageous to the Government. Tradeoffs may be made between the non-cost/price evaluation factors, and Cost/Price. This may result in 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 approach of the higher priced Offeror outweighs the price difference, and therefore represents the best value to the Government. The SSA will base the Source Selection decision on an integrated assessment of proposals against all Source Selection criteria in the solicitation.

A detailed and complete analysis of each Offeror’s proposal will be performed. While the Government will strive for maximum objectivity, the source selection process, by its nature, is subjective; and therefore, professional judgment is implicit throughout the entire process.

## Solicitation Requirements, Terms and Conditions

By submission of an offer, the Offeror accedes to all solicitation requirements, including terms and conditions, representations and certifications, and technical requirements, in addition to those identified as evaluation factors or subfactors.

Failure to comply with the terms and conditions of the solicitation or meet a technical requirement may result in a proposal being determined to be unawardable. Offerors must clearly identify any exception to the solicitation terms and conditions and provide complete accompanying rationale. The Government reserves the right to determine any such exceptions unacceptable.

# GENERAL INFORMATION

## Number of Contracts to be Awarded

The Government intends to award one (1) contract as a result of this solicitation; however, the Government reserves the right to award no contract at all, depending on the quality of the proposals and prices submitted, and the availability of funds. Offerors are reminded that the Government will only evaluate one proposal from each Offeror.

## Exchanges With Offerors After Receipt of Proposals

Any exchanges with Offerors after receipt of proposals will be conducted IAW FAR 15.306,

*Exchanges with Offerors after Receipt of Proposals.*

* + 1. Discussions

The Government intends to award without discussions IAW FAR provision 52.215-1, *Instructions to Offerors – Competitive Acquisitions*, therefore, each initial offer should contain the Offeror’s best terms from a price and technical standpoint. However, the Government reserves the right to conduct discussions if determined necessary.

If, during the evaluation period, it is determined to be in the best interest of the Government to hold discussions a Competitive Range will be established and Offeror responses to Evaluation Notices (ENs) and the Final Proposal revision (FPR) will be considered in making the Source Selection decision. The Source Selection decision will then be based on the Final Proposal Revisions of the Offerors remaining in the Competitive Range at the time discussions are closed. If the Offeror’s proposal has been evaluated as acceptable at the time discussions are closed, any changes or exceptions in the FPR are subject to evaluation and may introduce risk that the Offeror’s proposal may be determined unacceptable and ineligible for award.

# EVALUATION CRITERIA

## Factors and Subfactors

Award will be made to the Offeror proposing the most advantageous solution to the Government based upon an integrated assessment of the evaluation factors and subfactors described below. The following evaluation factors and subfactors will be used to evaluate each proposal.

Factor 1: Technical Capability

Subfactor 1: Quality Control

Subfactor 2: Order Fulfillment

Subfactor 3: Environmental Requirements

Factor 2: Transition Plan

Factor 3: Past Performance

Factor 4: Ability One, Small Business and Socioeconomic Program Participation

Factor 5: Cost/Price

## Relative Importance

* + 1. Factors are listed in descending order of importance, with Factor 1, Technical Capability, being the most important, Factor 2, Transition Plan, next in importance, etc. and Factor 5, Cost/Price, last in importance. IAW FAR 15.304(e), all evaluation Factors other than Cost/Price, when combined are significantly more important than cost or price.
		2. Within Factor 1, Subfactors are equal in importance.
		3. Within Factor 1, scenario-based questions will be rated on a pass/fail basis.
		4. For Factor 1, color/adjectival ratings are assigned at the Subfactor level, less scenario-based questions. Subfactors ratings, including the scenario-based question responses, will be rolled up for an overall Factor 1 rating. If any Subfactor is rated as unacceptable or fail, the overall Factor will be rated as unacceptable.

## Evaluation: Factor 1 Technical Capability (all Subfactors) and Factor 2 Transition Plan

* + 1. The evaluation of Factor 1 (all Subfactors) and Factor 2 will be conducted IAW paragraph 3.1.2.2 of the DoD Source Selection Procedures, “*Methodology 2: Combined Technical/Risk Rating Process.*” The combined technical/risk rating includes consideration of risk in conjunction with significant strengths, strengths, weaknesses, significant weaknesses, uncertainties, and deficiencies.
		2. Strengths, weaknesses, and deficiencies are defined IAW DoD Source Selection Procedures and FAR 15.001, *Definitions*:
* Significant strength: An aspect of an Offeror’s proposal with appreciable merit or will exceed specified performance or capability requirements to the considerable advantage of the Government during contract performance.
* Strength: An aspect of an Offeror’s proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance.
* Weakness: A flaw in the proposal that increases the risk of unsuccessful contract performance.
* Uncertainties: Any aspect of a non-cost/price factor for which the intent of the offer is unclear (e.g. more than one way to interpret the offer or inconsistencies in the proposal indication that there may have been an error, omission, or mistake.
* Significant Weakness: A flaw that appreciably increases the risk of unsuccessful contract performance.
* Deficiency: A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.
	+ 1. Technical Rating:
			1. The technical rating reflects the degree to which the proposed approach meets or does not meet the threshold performance or capability requirements. The Combined Technical/Risk Rating includes considerations of risk in conjunction with the significant strengths, weaknesses, significant weaknesses, uncertainties, and deficiencies in determining technical ratings.
			2. Each Factor and Subfactor, less the scenario-based questions, will receive one of the color/adjectival rating as described in the DoD Source Selection Procedures excerpted below.
			3. For the scenario-based questions, the Offeror’s response will be rated on a pass/fail basis. The scenario-based questions will be sent to the Offeror after the close date of the proposal. The responses will be evaluated against a rubric to determine if the Offeror has met the minimum requirements in their response.
			4. In arriving at a best value decision, the Government reserves the right to give evaluation credit/positive consideration (i.e., assign a strength) for an aspect of an Offeror’s proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance.

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| Combined Technical/Risk Ratings |
| Color Rating | Adjectival Rating | Description |
| Blue | Outstanding | Proposal demonstrates an exceptional approach and understanding of the requirements and contains multiple strengths and/or one significant strength, and risk of unsuccessful performance is low. |
| Purple | Good | Proposal demonstrates a thorough approach and understanding of the requirements and contains at least one strength or significant strength, and risk of unsuccessful performance is low to moderate. |
| Green | Acceptable | Proposal meets requirements and indicates an adequate approach and understanding of the requirements, and risk of unsuccessful performance is now worse than moderate. |
| Yellow | Marginal | Proposal has not demonstrated an adequate approach and understanding of the requirements, and/or risk of unsuccessful performance is high. |
| Red | Unacceptable | Proposal does not meet requirements of the solicitation and, thus, contains one or more deficiencies and is unawardable, and risk of performance is unacceptably high.  |

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## Evaluation: Factor 3 Performance Confidence Assessment

* + 1. This Factor evaluates the extent of the Offeror’s own current and/or past performance that is similar to the proposed contract requirements. The current contract has roughly 3,600 active NSNs and experiences 13-17k delivery orders per month.
		2. The evaluation of Factor 3 will be conducted IAW paragraph 3.1.3 of the DoD Source Selection Procedures and based on recency, relevancy, and quality. Relevancy is based on an assessment at the contract level. Confidence is based on an overall assessment. *Definitions:*
			- Recency is a measure of the elapsed time since the past performance reference occurred. Recency is generally expressed as a time period during which past performance references are considered relevant.
			- Relevancy is a measure of the extent of similarity between the support effort, complexity, dollar value, contract type, and subcontract/teaming or other comparable attributes of past performance examples and the solicitation requirements; and a measure of the likelihood the past performance is an indicator of future performance.
			- Quality is the overall quality of the Offeror’s past performance.
		3. The Offeror’s present and/or past performance shall be evaluated to assess the Offeror’s probability of meeting the proposed contract requirements. Experience of any significant partner, joint venture, critical subcontractor, predecessor entity, etc. of the Offeror will be evaluated as experience of the Offeror, if the offer adequately details the relevance of that past performance. The Past Performance evaluation considers the Offeror’s demonstrated recent (i.e., currently ongoing or completed within the last three calendar years from the solicitation open date) and relevant record of performance in supplying services and products that are the same or similar in scope, complexity, and magnitude (i.e., dollar value, volume) to the requirements of the solicitation. **For the purpose of this requirement, same or similar in scope, complexity, and magnitude refers to the number of National Stock Numbers (NSNs) management, and volume. The minimum number of active NSNs managed is 1500 and the minimum volume of orders is 5,000 per month to be considered relevant.**
		4. Relevancy Rating

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| Adjectival Rating | Definition |
| 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. |

* + 1. After ratings for relevancy have been assigned, a confidence assessment is determined which reflects, based on the quality of the Offeror’s performance on the assessed present/past performance, an expectation of the Offeror’s successful performance of the requirements herein.
		2. Performance Confidence Assessments Rating

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| Adjectival Rating | Description |
| Substantial Confidence | Based on the Offeror’s recent/relevant performance record, theGovernment has a high expectation that the Offeror will successfully perform the required effort. |
| Satisfactory Confidence | Based on the Offeror’s recent/relevant performance record, theGovernment has a reasonable expectation that the Offeror will successfully perform the required effort. |
| Neutral Confidence | 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.The Offeror may not be evaluated favorably or unfavorably on the Factor of past performance. |
| Limited Confidence | Based on the Offeror’s recent/relevant performance record, theGovernment has a low expectation that the Offeror will successfully perform the required effort. |
| No Confidence | Based on the Offeror’s recent/relevant performance record, theGovernment has no expectation that the Offeror will be able to successfully perform the required effort. |

* + 1. An Offeror will not be evaluated favorably or unfavorably when it has no record of relevant past performance or when information on the Offeror’s past performance is not available; a “Neutral” rating/assessment is assigned under these circumstances. An evaluation of neutral/unknown confidence will not eliminate an Offeror from the overall review and evaluation of its proposal for the requirement herein.
		2. A record of favorable relevant past performance may be considered more advantageous to the Government than a “Neutral” rating. Likewise, a recent relevant record of favorable performance may receive a higher rating than a less recent relevant record of favorable performance. The past performance of the Offeror will be weighted more heavily than the past performance of any significant partner, joint venture, critical subcontractor, etc.
		3. Adverse past performance for which an Offeror did not previously have an opportunity to comment on will be handled through communications or discussions, in accordance with FAR 15.306(b) or (d).

## Evaluation: Factor 4 AbilityOne, Small Business & Socioeconomic Program Participation

* + 1. This Factor evaluates the Offeror’s proposed small business commitment approach. The Offeror’s proposal will be based on the information required by Section L paragraph 8.0; the extent of the commitment to small business concerns, how it will track orders with small business, and how it will demonstrate and achieve the 50% small business participation goal. As stated in Section L paragraph 8.0, the 50% is based on total contract value.
		2. The evaluation of Factor 4 will be conducted IAW paragraph 3.1.4 of the DoD Source Selection Procedures.

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| AbilityOne, Small Business & Socioeconomic Program Participation Ratings |
| Color Rating | Adjectival Rating | Description |
| Blue | Outstanding | Proposal indicates an exceptional approach and understanding of the small business objectives.  |
| Purple | Good | Proposal indicates a thorough approach and understanding of the small business objectives. |
| Green | Acceptable | Proposal indicates an adequate approach and understanding of the small business objectives. |
| Yellow | Marginal | Proposal has not demonstrated an adequate approach and understanding of the small business objectives.  |
| Red | Unacceptable | Proposal does not meet small business objectives. |

## Factor 5: Cost/Price Evaluation

The pricing criteria used for evaluation of the Cost/Price Factor will be Price Reasonableness, Balance, and Total Evaluated Price (TEP).

The TEP will be a consideration in the best value tradeoff award decision.

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# 3.6.1 Material Pricing.

Fixed material prices are established and are subject to an Economic Price Adjustment (EPA) on a semi-annual basis pursuant to Procurement Note C09, *Economic Price Adjustment (EPA) – Department of Labor Index* and Note L24, *Economic Price Adjustment (EPA) – Established Prices.* Material prices will be paid to the vendor by DLA per delivery order against the Contract Line-Item Number (CLIN) associated with the NSN.

All NSNs with active demand history shall be priced for this action utilizing the Market Basket items found at Request for Proposal (RFP) Attachment 2. Evaluation for award is on an all or none basis. Failure to submit a price for each NSN in the Market Basket may result in an unacceptable price proposal and thus, if the Offeror does not propose for all items in the Market Basket, the Offeror may not be considered for award. While evaluation is based on the entire Market Basket, the actual award may be made for less than the entire population of NSNs.

Offerors shall use the Estimated Annual Demand (EAD) quantity of the items identified in RFP Attachment 2. The estimated quantities provided are based on historical demand and operating conditions. These estimates may not reflect the quantities realized during the ChemPOL contract performance.

Note: The Government intends to exercise an EPA adjustment at time of award.

# Price Reasonableness

# Adequate price competition is expected to support the determination of price reasonableness. Price analysis techniques may be utilized to further validate price reasonableness. If adequate price competition is not obtained or if price reasonableness cannot be determined using price analysis of Government obtained information, additional data in accordance with FAR 15.4 will be required to support the reasonableness of the proposed price.

# Management Charge

# Fixed pricing is established for the level of performance required to support demands over a ten-year ordering period, to include a five-year base ordering period, one three-year option period, and one two-year option period. The management charge will be paid out monthly against the management charge delivery order.

# The material management charge includes all the elements for supporting the effort. This price is to be stated as a total amount for the based and option period(s). The material management charge is inclusive of all incidental services, including but not limited to overhead, general and administrative, and profit.

# Transition CLIN

# Fixed Pricing is established for the level of performance to support efforts during the first twelve-month period to cover transition, inventory build-up, and implementation. This should include, but is not limited to, staffing, inventory, and activation. Payment for this CLIN will occur monthly during the transition period as milestones are reached in accordance with the proposed transition milestones submitted by the Offeror. Transition charges will be included in the total contract price. However, transition charges will not be evaluated as part of the TEP. All proposed transition charges will be evaluated for reasonableness and should be supported by other than formal cost and pricing data in accordance with FAR.15.403-3.

# Throughput Charge

This charge will be added to the material unit price for each NSN and reflected on each delivery order. This charge is applicable throughout the entire life of the contract.

# 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.

# Total Evaluated Price

The TEP will be calculated as follows:

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| TEP Formula: |
| [(NSN unit prices + Throughput Fee %age) \* Year 1 EADs] + [(NSN unit prices + Throughput Fee %age) \* Year 2 EADs] + [(NSN unit prices + Throughput Fee %age) \* Year 3 EADs] + [(NSN unit prices + Throughput Fee %age) \* Year 4 EADs] + [(NSN unit prices + Throughput Fee %age) \* Year 5 EADs] + The sum of above \* 2 + Management Charge = TEP |

Example:



# VOLUME I: FACTOR 1 – TECHNICAL CAPABILITY

Through the Subfactors of the Technical Capability Factor, the Government will assess the Offeror’s understanding of the work specified and the associated inherent challenges. The Offeror should provide a sound, compliant approach that meets the minimum requirements of the solicitation and demonstrates a thorough knowledge and understanding of those requirements and their associated 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.

## Subfactor 1: Quality Control

This Subfactor evaluates the degree to which the Offeror demonstrates its capability to meet the performance standards while ensuring the quality and conformance of items provided.

1. The proposal will be evaluated based on the description of the Offeror’s quality system and assurance process to ensure it procures and provides items from approved sources, provides items that meet the requirements of the drawings and specifications, and prevents counterfeit material from entering the supply chain, to meet the requirements of paragraphs 1.1, 5.1, 5.2, 5.4, 5.5, 5.6, and 5.8 of the Statement of Work (SOW). The proposal must include a copy of the Offeror’s current quality standard. The current quality standard will not be counted toward the page limit in Section L, Table 1.
2. The proposal will be evaluated based on the Offeror’s plan and actions that will be taken to manage shelf-life items to meet the requirements of the paragraph 5.8 in the SOW.
3. The requirement will be evaluated based on a scenario-based question. The Offeror’s response to the question will be evaluated as part of this Subfactor and rated as pass or fail.

## Subfactor 2: Order Fulfillment

This Subfactor evaluates the degree to which the Offeror demonstrates it has an adequate ordering processing system and plan in place to support the requirements of the solicitation.

1. The proposal will be evaluated based on the description of the Offeror’s ability to identify an adequate supply chain infrastructure to support the requirements of the solicitation, SOW paragraphs 1.1, 1.3, 4.0, 4.1, 4.2, 4.3, 5.6, 5.7, 5.8, 5.9, and 5.10. At a minimum, the proposal shall show the ability to integrate manpower, processes, facilities, long term supplier base relationships, and a supply chain necessary for a program of this magnitude.
2. The proposal will be evaluated based on the Offeror’s ability to establish a process for expeditiously responding to and meeting both planned and unplanned variability in customer demand as stated in paragraph 5.10 of the SOW.
3. The proposal will be evaluated based on the Offeror’s identification of responsibilities of the Offeror and all critical subcontractors relating to oversight of the contract. A critical subcontractor is identified as being necessary to the performance management and operational oversight activities in performance of this contract.
4. The requirement will be evaluated based on two (2) scenario-based questions. The responses to the questions will be evaluated as part of this Subfactor and rated as pass or fail.
	1. **Subfactor 3: Environmental Requirements**

This Subfactor evaluates the degree to which the Offeror demonstrates it has an adequate process in place to support the environmental requirements of the solicitation (SOW paragraph 2.0).

* + 1. The proposal will be evaluated based on the description of the Offeror’s process to address spills and management of the actions taken to correct and report spills; see paragraph 2.2 of the SOW. Identify appropriate preventive action plans to that may be employed to protect inventory.
		2. The proposal will be evaluated based on the Offeror’s plans and actions to manage Hazardous Material (HAZMAT) items (SOW paragraphs 2.0, 5.2.2 and 5.6). The Offeror should demonstrate a plan to comply with federal, state, and local laws and regulations.
		3. The requirement will be evaluated based on a scenario-based question. The Offeror’s response to the question will be evaluated as part of this Subfactor and rated as pass or fail.

# VOLUME II: FACTOR 2 – TRANSITION PLAN

This Factor evaluates the degree to which the Offeror demonstrates its proposed approach for transitioning the workload to Full Operational Capability (FOC) with minimal program impact and disruption while ensuring requirements coverage throughout the transition period (SOW paragraphs 3.0, 3.1, 3.2, and 4.0).

# The proposal will be evaluated based on the Offeror’s ability to seamlessly transition workload with minimal impact and disruption.

# The Offeror demonstrates the proposed transition strategy can be successfully executed within twelve months from the contract effective date within the dated milestones.

# VOLUME VII: CONTRACT DOCUMENTATION

The Government will evaluate the Offeror’s proposal to ensure it has submitted all required documentation identified in Section L paragraph 10.0. An incomplete or incorrect submission may result in a rejection of the proposal.