

SECTION M

EVALUATION BASIS FOR AWARD

1.0. BASIS FOR CONTRACT AWARD:

1.1. 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 proposal and Management proposal (Evaluation Factors 1 and 2), Past Performance (Evaluation Factor 3), AbilityOne, Small Business & Socioeconomic Program Participation (Factor 4) 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.

1.2. 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 un-awardable. 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.

2.0. GENERAL INFORMATION

2.1. 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.

2.2. 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*.

2.2.1. 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.

3.0. EVALUATION CRITERIA

3.1. 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 Proposal

Subfactor 1: Quality Assurance

Subfactor 2: Product Management

Subfactor 3: Refurbishment and Disposal

Factor 2: Management Proposal

Subfactor 1: Inventory Management

Subfactor 2: Risk Management

Subfactor 3: Transition Plan

Subfactor 4: Customer Service

Factor 3: Past Performance

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

Factor 5: Cost/Price

3.2. Relative Importance

- 3.2.1. Factors 1 and 2 are of equal importance and are the most important. Factor 3 is next in importance after Factors 1 and 2. Factor 4 is next in importance after Factor 3, and Factor 5 is the least important. IAW FAR 15.304(e), all evaluation Factors other than Cost/Price, when combined, are significantly more important than cost or price.
- 3.2.2. Within Factors 1 and 2, Subfactors are equal in importance.
- 3.2.3. For Factors 1 and 2, color/adjectival ratings are assigned at the Subfactor level. Subfactors ratings will be rolled up for an overall Factor rating. If any Subfactor is rated as unacceptable or fail, the overall Factor will be rated as unacceptable.

3.3. Factor 1 Technical (all Subfactors) and Factor 2 Management (all Subfactors)

- 3.3.1. The evaluation of Factor 1 (and all Subfactors) and Factor 2 (and all Subfactors) 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.
- 3.3.2. 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 indicate 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.
- 3.3.3. Technical and Management Rating:

- 3.3.3.1. The Technical and Management 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 and Management/Risk Rating includes considerations of risk in conjunction with the significant strengths, strengths, weaknesses, significant weaknesses, uncertainties, and deficiencies in determining technical ratings.
- 3.3.3.2. Each Factor and Subfactor will receive one of the color/adjectival rating as described in the DoD Source Selection Procedures excerpted below.
- 3.3.3.3. 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.

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 no 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 un-awardable, and risk of performance is unacceptably high.

Combined Management/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 no 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 un-awardable, and risk of performance is unacceptably high.

Table 2B: Risk Rating Method

Adjectival Rating	Description
Low	Proposal may contain weakness/weaknesses which have low potential to cause disruption of schedule, increased cost, or degradation of performance. Normal contractor emphasis and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Proposal contains a significant weakness or combination of weaknesses which may have a moderate potential to cause disruption of schedule, increased cost, or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome any difficulties.
High	Proposal contains a significant weakness or combination of weaknesses which is likely to have high potential to cause significant disruption of schedule, increased cost, or degradation of performance. Special contractor emphasis and close Government monitoring will unlikely be able to overcome any difficulties.
Unacceptable	Proposal contains a deficiency or a combination of significant weaknesses that causes an unacceptable level of risk of unsuccessful performance.

3.4. Evaluation: Factor 1 – Technical

- 3.4.1. Subfactor 1: Quality Assurance will be evaluated based on the how the offeror addresses the process and plan for ensuring shelf-life and stock rotation compliance with timeframes established in the SOW. All issues regarding product testing will be reviewed for tests including, but not limited to, origin inspection for Aviator's Breathing Oxygen (ABO) and refrigerants, Hydrostatic Testing Facility Certification(s), cylinder retesting and shelf-life recertification, and First Article Testing. This will include the procedures used for product and end-item packaging/marketing. The submission will be evaluated on how it identifies the actions that are required to address spills, management of actions taken to correct and report spills, and the appropriate preventative actions that may be employed to protect the inventory. Evaluation will also include the offeror's process for management of the MSDS/SDS and Hazardous Warning Labels (HWLs) repository and the associated tracking of the items to each delivery order. Specific compliances to required ISO 9001 (or equivalent) will be

verified by the provided certification or appropriate documents demonstrating compliance with required standards for the offeror and all affected subcontractors. Management of Hazardous Material (HAZMAT) items identified in this population will also be included in this evaluation.

- 3.4.2. Subfactor 2: Product Management will be evaluated based on the offeror's proposed approach for the technical management of the government Procurement Item Description (PID) data that specifies the technical, packaging, marking, labeling, and other technical requirements (which may include active RFID marking) of each of the products associated with this effort. Also being evaluated are the process inspections and gas certificates of traceability. The Product Management submittal shall also cover the management of Government Furnished Property (GFP) cylinder pool, including the process for recovery cylinders containing used material returned by the customer. Any changes, updates, or proposed additional sources of supply will be evaluated as to how the interaction with the government and appropriate approval will be obtained. The overall management of the product will also be assessed for specific actions that will be taken to promptly satisfy actions associated with Product Quality Deficiency Reporting (PQDR)/Supply Discrepancy Reporting (SDR) generated for orders issued against this contract.
- 3.4.3. Subfactor 3: Refurbishment and Disposal will be evaluated based on the proposed refurbishment process as described in the SOW. Included shall be locations where cylinder refurbishment will be performed and a plan detailing the rate and process of turnover for refurbished cylinders. In addition, the process and location(s) for processing cylinder disposal shall be identified for evaluation. All actions described must consider the established TDD requirements of the SOW.

3.5. Evaluation: Factor 2 – Management

- 3.5.1. Subfactor 1: Inventory Management will evaluate the offeror's process of EDI order processing from receipt of government order to complete fulfillment to include all inventory under control of the contractor. Submittals will be assessed based on the offeror's consideration of all actions required by the established TDD requirements in the SOW. The contract delivery order tracking system/database will be evaluated to determine its compliance with SOW section 6.1(G); the submittal's description and level of detail will be used to evaluate the specific packaging, repackaging, marking, and shipment information. Offers will be evaluated based on the provided details that identify and correct misdirected shipments, as well as the offeror's action plan for addressing customer complaints. Offers will also be assessed on the different types of support for domestic versus overseas shipments and any/all East coast and West coast hub locations that will facilitate the returns of GFP for OCONUS locations. The Government property management plan, that addresses control of VMI and ensures that it will remain in the same condition code as when it was received, will be included in the evaluation as part of the approval process. .
- 3.5.2. Subfactor 2: Risk Management will be evaluated on the basis of the offeror's ability to propose a comprehensive approach to the total program addressing all aspects of the supply chain. The risk management plan must address all issues associated with subcontractor management, item shipping and handling, ensuring compliance to TDD

standards, and managing the specific hazardous material characteristics for these products. In addition, supply shortages and excess, IT failure and security, non-conforming/defective material and warranty provisions and raw material shortages (e.g. R-134a and helium) shall be addressed. Realistic management of mitigation factors for all identified risks must be addressed including, but not limited to, asset accounting (both GFP and VMI), price storage and preservation of Government owned assets, physical security for GFP and VMI locations, force majeure events etc.

- 3.5.3. Subfactor 3: Transition Plan will be evaluated on the basis of all elements of transition from contract award through Initial Operational Capability (IOC) to Full Operational Capability (FOC). Specific dates and times of actions must be identified for each step of the plan. Describe how the GFP cylinder pool will be established to meet the transition requirement including where they will be located and the approximate number or percentage per location. The transition plan must 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.
- 3.5.4. Subfactor 4: Customer Service will be evaluated based on the offeror's approach and customer service solution that enables customers to query the status of requisitions, request cylinder pick-ups/returns and request expedited delivery as described in the SOW. The submittal will also be evaluated on the basis of how it will ensure the availability of cylinders that will keep product availability at levels to meet demand.

3.6. Evaluation: Factor 3 – Past Performance

- 3.6.1. 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 375 active NSNs and experiences approximately 12,000 transactions (orders, returns, disposals, etc.), based on average of last three complete years of actuals.
- 3.6.2. 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.
- 3.6.3. 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.

3.6.4. For the purpose of relevance for this requirement, same or similar in scope, complexity, and magnitude refers as follows (see section 3.6.5, below):

3.6.5. Relevancy Ratings:

Adjectival Rating	Definition
Very Relevant	Has performed commercial or government logistics or supply chain management contracts that have supported processing individual transactions in excess of 500 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 both of the FSCs included in this contract; experience managing and maintaining a diverse vendor base; and an excess of 250 refurbishment transactions per month.
Relevant	Has performed commercial or government logistics or supply chain management contracts that have supported processing individual transactions in excess of 400 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 both of the FSCs included in this contract; experience managing and maintaining a diverse vendor base; and an excess of 100 refurbishment transactions per month.
Somewhat Relevant	Has performed commercial or government logistics or supply chain management contracts that have supported processing individual transactions in excess of 200 per month; supports multiple transportation modes; compliance with federal, state, and local regulations including hazardous or regulated materials; has experience in handling / supporting both of the FSCs included in this contract; experience managing and maintaining a diverse vendor base; and an excess of 50 refurbishment transactions per month.
Not Relevant	Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

- 3.6.6. *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 will be assigned.
- 3.6.7. 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.
- 3.6.8. Performance Confidence Assessments Ratings:

Adjectival Rating	Description
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.
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, 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.

- 3.6.9. 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.
- 3.6.10. 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.

- 3.6.11. 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).

3.7. Evaluation: Factor 4 – AbilityOne, Small Business & Socioeconomic Program Participation

- 3.7.1. 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, and how the Offeror will track orders with small business.
- 3.7.2. The evaluation of Factor 4 will be conducted IAW paragraph 3.1.4 of the DoD Source Selection Procedures.

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.

3.8. Evaluation: 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.

3.8.1 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 table provided

at 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) quantities 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 Gas and Cylinders contract performance.

3.8.2 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.

3.8.3 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.

3.8.4 Total Evaluated Price (TEP)

A TEP will be calculated for evaluation purposes only and used to assist in determining the best value to the Government. The TEP will be evaluated as follows:

- 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 costs 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 Attachment 2 of the RFP, at the quantities stated. The total material price will be evaluated by multiplying proposed price times estimated annual demand average times 9, to account for the transition period. The years will be totaled to arrive at a 10-year material contract value.
 - Management Charge and Throughput Charge will be evaluated by adding the annual offered amounts to arrive at a ten-year value.
 - Cylinder refurbishment will be evaluated by multiplying EAD average times the estimated refurbishment break-down times the proposed prices for each category in Attachment 22.

- Management Charge, Throughput Charge, and Cylinder refurbishment charge will be combined to arrive at a 10-year total service charge.
- Transition Charge will be evaluated for reasonableness, but not included in the TEP.
- Surge & Sustainment pricing will be evaluated for reasonableness, but not included in the TEP.
- Offerors are advised that the evaluation of item prices shall not obligate the Government to award each item.