



AF Life Cycle Management Center



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge



Source Selection Trends to Enlighten Government and Industry

*Ann Marie Telepak
Acquisition Center of Excellence
Wright-Patterson AFB
24 March 2014*



Agenda



- **Current Process**
- **Recent Trends in Competitive Acquisitions**
 - **GAO/COFC Decisions**
- **Developments in Tools**
- **Developments in Resources**
- **Upcoming Changes**



U.S. AIR FORCE



AFLCMC... Providing the Warfighter's Edge

Current Process



DoD Source Selection Procedures



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **DoD Source Selection Procedures** - Effective 1Jul2011
 - Established Uniform SS guidance within DoD
 - Required for competitive acquisitions (FAR Part 15)
 - Allows waivers approved by Defense Procurement and Acquisition Policy (DPAP)
 - Not Applicable to:
 - FAR Part 12 Streamlined Acquisitions (unless using FAR Part 15)
 - Orders under Multiple Award Contracts – Fair Opportunity (FAR Part 16.505(b)(1))
 - SS using FAR Subpart 8.4
 - SS using simplified acquisitions (FAR Part 13)
 - Architect-Engineer services (FAR Part 36)
 - Others: Broad Agency Announcements IAW FAR 35 & SBIRs, STTRs, SBTTs (15 USC, Sect 638)



LPTA Factors & Ratings



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **Technical Acceptability**
 - Acceptable
 - Unacceptable
- **Cost/Price**
 - Reasonableness
 - Balance
 - Realism (limited applicability)
- **RFP Requirements (Ts & Cs, Certs & Reps, etc.)**



Tradeoff Factors & Ratings



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **Technical Factor**
 - **Technical (Compliance)**
 - **Blue** - Outstanding
 - **Purple** – Good
 - **Green** – Acceptable
 - **Yellow** – Marginal
 - **Red** – Unacceptable
 - **Technical Risk**, if separate
 - Low
 - Moderate
 - High
- **General RFP Requirements (Ts & Cs, Certs & Reps, etc.)**
- **Past Performance Factor**
 - Substantial Confidence
 - Satisfactory Confidence
 - Limited Confidence
 - No Confidence
 - Unknown Confidence
- **Cost/Price Factor**
 - Reasonableness
 - Balance
 - Realism (if applicable)



Source Selection Approaches



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

	Variation 1a	Variation 1b	Variation 2a	Variation 2b	Variation 3a	Variation 3b	Variation 4a	Variation 4b
Cost/Price	✓	✓	✓	✓	✓	✓	✓	✓
Past Performance (Pass/Fail)	✓		✓		✓		✓	
Full Performance Confidence Assessment		✓		✓		✓		✓
Technical (All Subfactors Pass/Fail)			✓	✓	✓	✓		
Technical (Combination of Pass/Fail and Color/Adjectival Ratings by Subfactor)							✓	✓
Technical Risk (Low, Moderate, or High)					✓	✓	✓	✓

Suggested Description (unofficial)	Low Price w/ Performance Acceptability	Performance Price Tradeoff	Low Price w/ Tech & Perf Acceptability	Perf Price Tradeoff w/ Technical Acceptability	Risk Price Tradeoff w/ Tech & Perf Acceptability	Risk Perf Price Tradeoff w/ Tech Accept.	Tech Risk Price Tradeoff w/ Perf Accept	Tech Risk Perf Price Tradeoff (FullTradeoff)
---	--	----------------------------	--	--	--	--	---	--



U.S. AIR FORCE



AFLCMC... Providing the Warfighter's Edge

Recent Trends



Observations [Peer Reviews]

- People – Quality/Experience matters
- Complexity – Think simplicity
- Program Manager Drivers vis a vis Selection Criteria
- Speed kills – be event driven
- Don't keep contractors in the dark
- Measurement of requirements
- Documentation – Not written down means not done
- Cross Pollination
- Discussions – Often beneficial to hold them
- Linking the requirement to Section L to Section M
- Evaluate what you ask for; ask for what you want
- Incentives – tie to performance not process
- Training



- **SSAC Chair is independent—not in SSA rating chain**
 - Increases objectivity
- **SSAC/SSEB/MIRT members are of the right experience level, number and mix**
- **More standardization w/in Life Cycle Management Center (LCMC)**
 - Focus on Process Improvements
 - Standard Processes
 - Acquisition Strategy to RFP
 - Contract Award

Legend:

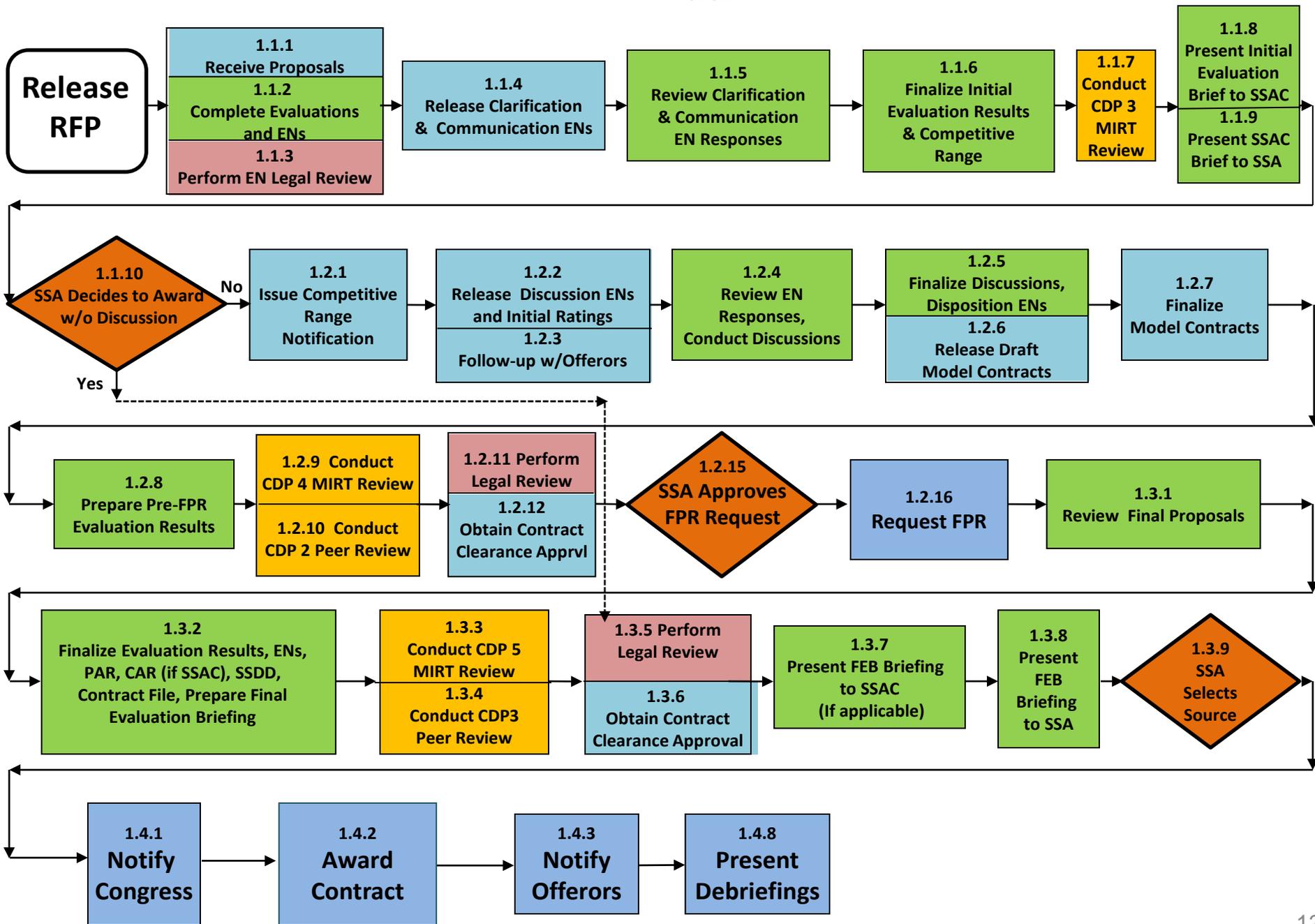
◆ Decision Point

■ SSEB

■ MIRT/Peer Review

■ PCO

■ JAG

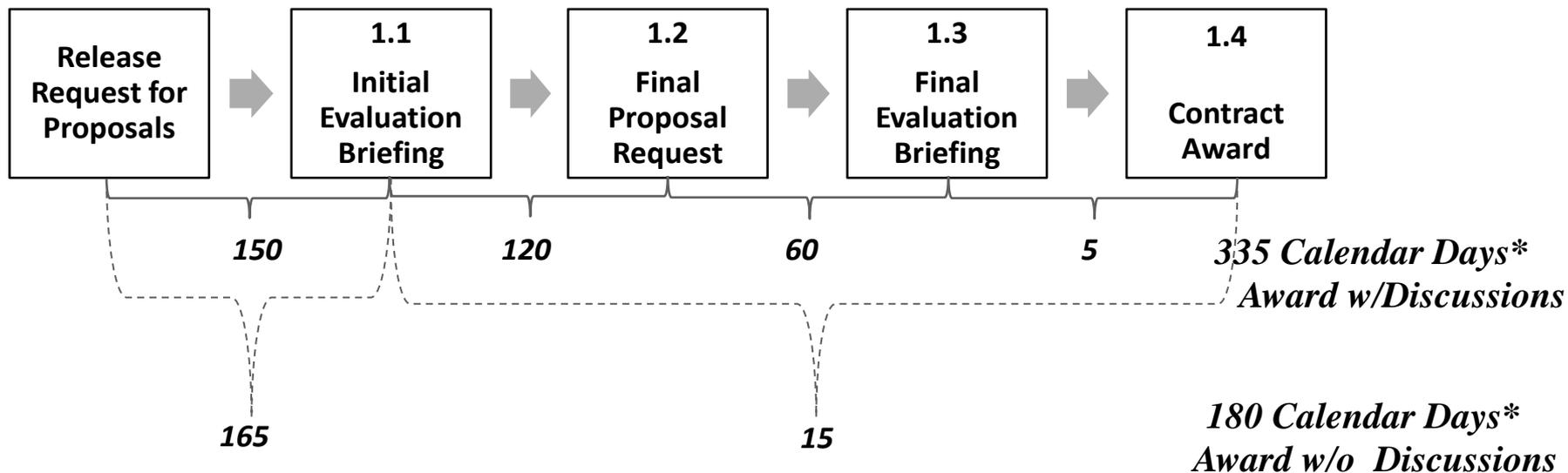




Process Flowchart



Contract Award (Source Selection) Process--Key Decision Events



* Assumes 4 offerors



Schedule



- **“Speed with Discipline”**
 - **SS team to set realistic schedule--event driven versus schedule driven**
- **Metrics increasing in importance**
 - **Program Mgrs responsible for tracking/reporting**
 - **Database established**
 - **330 days from Program Initiation to RFP**
 - **335 days from RFP to Award**
 - Timeframes are “goals”, dependent on many variables



Evaluation Criteria



- **Less subjectivity in evaluation**
 - More objective thresholds
 - Quantifying value of strengths
 - More structured selection process
- **More collaboration with ACE**
 - **Section L & M development**
 - Tailored training/workshops
 - Address key discriminators
 - Detailed reviews by ACE
- **Award without Discussions**
 - Uncommon situation



Small Business Concerns



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **RFIs and Draft RFPs**
 - Short response time and enormous amount of detail
 - Experience vs capability
 - Lack of access to/response from Government personnel
- **Overly restrictive RFP evaluation criteria and/or requirements**
- **Use of LPTA - “technical acceptability” not well-defined**
 - Increasingly complex acquisitions
 - Stifles innovation; sacrifices quality
 - Need to:
 - Delineate in RFP what constitutes “acceptability”
 - Define only minimum requirements



- **Ensure Source Selection Team**
 - Has ROEs regarding protection, management & disposition of Source Selection records
 - Follow DoD and SAF/AQC guidance on records retention
 - **SS Documentation Guidance**
 - Employ electronic tool to extent possible and maintain in format that facilitates discovery (searchable PDF)
 - Know that E-mails and working papers are SS documents
 - Do not destroy working papers until all relevant information is captured in official record
 - Consult legal counsel prior to destruction of any documents



GAO/COFC Decisions



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **SS Documentation - ensure consistency**
 - Document SS sufficiently to enable transparency and support rationale for selection decision
 - Most GAO decisions are based on record/documents
 - “An agency's evaluation of proposals must be adequately documented in order to establish the reasonableness of its determinations. This requirement applies equally to evaluation determinations of proposal acceptability & unacceptability, weakness, or deficiency.”
 - GAO places greater weight on contemporaneous documentation than testimony
 - In event of protest, contemporaneous SS documentation is pivotal
 - “...we accord greater weight to contemporaneous evaluation and source selection material than to the parties' later explanations, arguments, and testimony.”



GAO/COFC Decisions (cont.)



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **Documentation (cont.)**

- **Insufficient documentation increases risk of losing protest**

- “An agency that fails to adequately document its evaluation of proposals bears the risk that its determinations will be considered unsupported, and absent such support, our Office [GAO] may be unable to determine whether the agency had a reasonable basis for its determinations.”

- **Tradeoff**

- **Agencies have broad tradeoff discretion within the RFP evaluation criteria parameters**

- “SS officials, in negotiated procurements, have broad discretion in determining the manner and extent to which they will make use of the technical and price evaluation results; price/technical trade-offs may be made, and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the solicitation’s evaluation criteria.”

- **Technical advantages can offset higher price**

- “Where a cost/technical tradeoff is made, the source selection decision must be documented, and the documentation must include the rationale for any tradeoffs made, including the benefits associated with additional costs.”



GAO/COFC Decisions (cont.)



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **Same color/adjectival rating does not mean equal proposals**
 - “Teams must consider underlying advantages/disadvantages of each proposal in that area.”
- **Color/adjectival ratings simply guide decision making – for best value, consider underlying elements**
 - “We [GAO] have long recognized that color or adjectival ratings are merely guides for intelligent decision-making in the procurement process. Therefore, evaluators and SSAs should reasonably consider the underlying bases for ratings, including the advantages and disadvantages associated with the specific content of competing proposals, in a manner that is fair and equitable and consistent with the terms of the solicitation.”



GAO/COFC Decisions (cont.)



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **Price/Cost Evaluation**
 - **Inconsistency of evaluation**
 - “It is a fundamental principle of government procurement that competition must be conducted on an equal basis; we will sustain a protest where an agency, without issuing a written amendment, materially alters the solicitation’s requirements to the protester’s prejudice.”
 - **In FFP environment, price realism is not normally considered except to assess an offeror’s understanding of requirements**
 - “A proposal’s price realism is not ordinarily considered, since a fixed-price contract places the risk and responsibility for profit or loss on the contractor. An agency may provide for price realism analysis to measure an offeror’s understanding of the requirements, or to avoid the risk of poor performance.”
 - **Extent of price realism analysis depends on agency discretion**
 - “The nature and extent of an agency’s price realism analysis are matters within the sound exercise of the agency’s discretion.”



- **Price/Cost Evaluation (cont.)**
 - **Cost Realism does not require scientific certainty**
 - “An agency is not required to conduct in-depth cost analysis, or verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment.... An agency’s cost realism analysis need not achieve scientific certainty.”
 - **Evaluation must be reasonable and according to solicitation**
 - “The nature and extent of an agency’s price realism analysis are matters within the agency’s discretion. Our review of a price realism analysis is limited to determining whether it was reasonable and consistent with the terms of the solicitation.”
 - “It is axiomatic that an agency’s price evaluation must, at a minimum, comport with the terms of the solicitation.”
 - **Reasonableness of the Independent Government Estimates (IGEs)**
 - “IGEs are, by their nature, inexact and agencies may change them after receipt of bids or proposals where a review of the bids or proposals shows that the initial IGE was incorrect....”



U.S. AIR FORCE



AFLCMC... Providing the Warfighter's Edge

Developments in Tools



- **EZSource is a Source Selection Documentation and Workflow Tool**
 - **Mandatory for AF Source Selections \geq \$50M**
 - **SAF/AQC Policy Memo 13-6-02, 13 May 2013**
 - **Fully accredited, Gov't owned, web-based**
 - **Facilitates source selection documentation and workflow**
 - **Organizes/tracks evaluation worksheets**
 - **Manages evaluation notices**
 - **Produces decision documents, evaluation analysis, final record**
 - **Hands-on training for teams**
 - **Web-based training coming**



- **Services Acquisitions**
 - DAU's [Acquisition Requirements Roadmap Tool \(ARRT\)](#)
 - Structured process to develop PWS, QASP, Performance Requirements Summary
- **Simulator Acquisitions**
 - RFP Reference Model
 - List of steps & documents required



Other Tools



- Updated ACE [Gameboard](#)
 - <https://cs.eis.afmc.af.mil/sites/ASCACE/default.aspx>
 - Templates/training/references for each phase of acquisition
- More tailored templates
- [NonDisclosure Agreement](#) – Fillable .pdf version available for 2014



U.S. AIR FORCE



AFLCMC... Providing the Warfighter's Edge

Developments in Resources



Resources



- **Reach out beyond Program Office**
 - SSAC Chair outside SSA's reporting chain
- **Embed Attorney advisor w/SS team**
- **Monthly SAF/AQC Webinars**
 - DCO Broadcast
 - Variety of Contracting topics
 - Additional AFPEO/CM Webinars on Services issues



Resources



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **Local ACE - Standard Level of Support**
 - More tailored training
 - Increased collaboration with SS teams
- **Designated SS Trainers (Local)**
- **Local Policy/Clearance Review Office (or MAJCOMs)**
- **Red Teams, MIRTSS, Peer Reviews**
- **SAF/AQC (AQCP)**
 - Field Support Team Members
 - Located in DC (Pentagon), WPAFB AFLCMC, HAFB AFLCMC, Warner Robins AFSC



U.S. AIR FORCE



AFLCMC... Providing the Warfighter's Edge

Future Changes



Extended Debriefings



U.S. AIR FORCE

AFLCMC... Providing the Warfighter's Edge

- **AF/JAQ driven**
- **Provide protected information to unsuccessful offeror's outside legal counsel**
- **Extended Debriefing Agreement required**
 - **Similar to Protective Order**
- **Process in Draft stage**
- **Not mandatory**



- **Lowest Evaluated Technically Acceptable Price (LEPTA)**
 - Quantification of strengths
 - Include in calculation of Total Evaluated Price
 - Best practice for ACAT I teams to consider
 - Examples:
 - KC-X
 - CRH
- **Proposed at DPAP level**
 - Revision to DoD Source Selection Procedures



U.S. AIR FORCE



AFLCMC... Providing the Warfighter's Edge

