

# UNIT 31: EVALUATING NON-PRICE FACTORS

October 2003

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<b>Duty</b>	Apply non-price factors in evaluating quotations, proposals, and past performance.
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<b>Conditions</b>	Given acquisition planning and a solicitation.
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<b>Overall Standard</b>	With designated evaluators, fairly, accurately, and efficiently assess the technical acceptability of quotations/proposals and, when required by the solicitation, make valid and reliable evaluations of non-price factors. Document information needed to support determinations related to establishing a competitive range, conducting exchanges, selecting the quotation/proposal in line for award, or canceling the solicitation.
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## Part A: Evaluating Quotations in Simplified Acquisition

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<b>Sub-Duty</b>	Apply non-price factors in evaluating quotations.
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<b>Additional Conditions</b>	Given quotations.
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<b>Sub-Duty Standard</b>	With designated evaluators, fairly, accurately, and efficiently assess the technical acceptability of quotations, and, when required by the solicitation, make valid and reliable comparative evaluations of non-price factors. Document information needed to support determinations related to conducting exchanges and selecting the quotation in line for award.
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## Part B: Evaluating Proposals

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**Sub-Duty** Apply non-price factors in evaluating proposals.

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**Additional Conditions** Given technical proposals.

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**Sub-Duty Standard** With designated evaluators, fairly, accurately, and efficiently assess the technical acceptability of proposals, and, when required by the solicitation, make valid and reliable evaluations. Document information needed to support determinations related to establishing a competitive range, conducting exchanges, selecting the proposal in line for award, or canceling the solicitation.

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## Part C: Rating Past Performance

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**Sub-Duty** Survey other customers of the quoter/offeror.

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**Additional Conditions** Given quotations/proposals.

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**Sub-Duty Standard** With designated evaluators, fairly, accurately, and efficiently assess the past performance of quoters/offerors, and, when required by the solicitation, make valid and reliable evaluations. Document information needed to support determinations related to establishing a competitive range, conducting exchanges, selecting the proposal in line for award, or canceling the solicitation.

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## Policies

<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
3.104		Procurement integrity.
11.801		Preaward in-use evaluation.
13.003(g)		Authority to use a combination of procedures for simplified acquisitions.
13.003(h)		Authority to use innovative approaches in evaluation.
13.106-2(b)		Evaluation of quotations or offers.
13.106-3(b)		File documentation and retention.
15.303(c)(2)		Contracting Officer responsibility to control exchanges after receipt of proposals.
15.305(a)(2)		Past performance evaluation.
15.305(a)(3)		Technical evaluation.
15.306		Exchanges with offerors after receipt of proposals.
15.404-1(e)		Technical analysis.
19.12		Small disadvantaged business participation program including past performance in complying with Subcontracting Plan goals as an evaluation factor (FAR 19.1202-3(e)).

## Other KSAs

1. Knowledge of organization and management.
2. Knowledge of basic principles for evaluating proposals established in Comptroller General decisions and other case law. For example, while procuring agencies have broad discretion in determining the evaluation plan they will use, they do not have the discretion to announce in the solicitation that one plan will be used and then follow another in the evaluation. Once offerors are informed of the criteria against which their proposals will be evaluated, the agency must adhere to those criteria or inform all offerors of any significant changes made in the evaluation schedule. Greenebaum and Rose Assocs., B-227807, Aug. 31, 1987, 87-2 CPD P 212. (B-236603.2 , Matter of: Gracon Corporation—Request for Reconsideration, May 24, 1990.)
3. Ability to lead a team in quotation/proposal evaluation.
4. Ability to read and understand quotations/proposals.
5. Ability to use interpersonal skills to maintain effective working relationships during the quotation/proposal evaluation.

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6. Ability to maintain a customer service perspective throughout the quotation/proposal evaluation.
7. Ability to demonstrate the attention to detail necessary to complete an effective quotation/proposal evaluation.
8. Ability to maintain the honesty and integrity of the acquisition process.

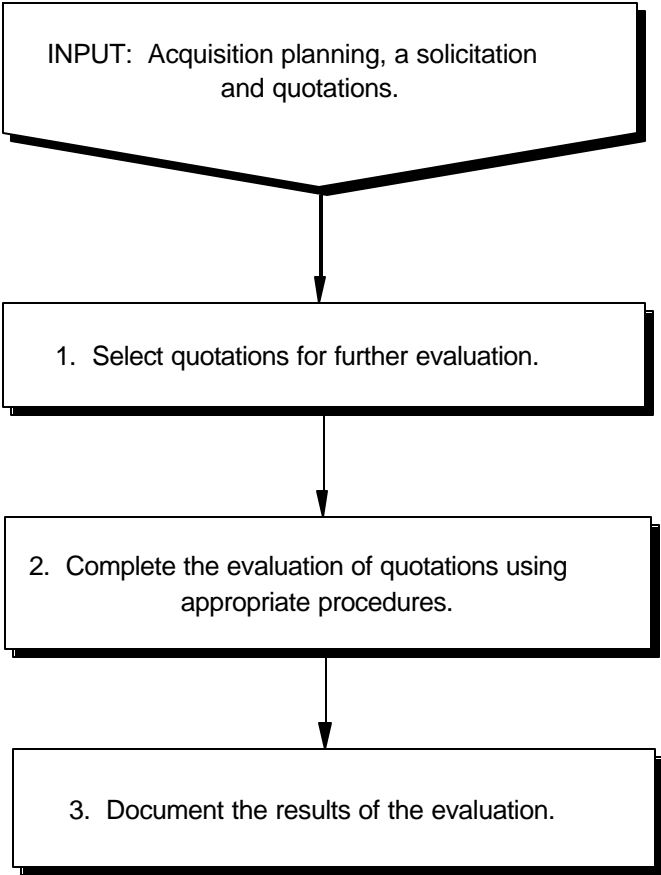
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**Other Policies and References (Annotate As Necessary):**

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## Part A: Evaluating Quotations in Simplified Acquisition

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## Part A: Evaluating Quotations in Simplified Acquisition

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Tasks	Related Standards
1. Select quotations for further evaluation.	<p>If you have received relatively few quotations, select all quotations not previously eliminated from further consideration.</p> <p>If a large number of quotations have been received (e.g., as a result of soliciting quotations through a Governmentwide certified Electronic Data Interchange System) select a limited number of quotations for evaluation.</p> <ul style="list-style-type: none"><li>• When award will be made to the firm with the lowest-priced technically-acceptable quotation:<ul style="list-style-type: none"><li>- Arrange quotations with the lowest evaluated price first and the highest evaluated price last.</li><li>- Move down the list of offers until you identify one that obviously meets user requirements.</li><li>- Include the obviously acceptable quotation and all possibly acceptable lower-priced quotations in the group for further evaluation.</li></ul></li><li>• When award will be made based on an evaluation of price and one or more non-price factors, screen higher-priced quotations for two or three additional deliverables that appear suitable to the user. Only use value indicators that were identified in the solicitation.</li></ul>

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## Part A: Evaluating Quotations in Simplified Acquisition

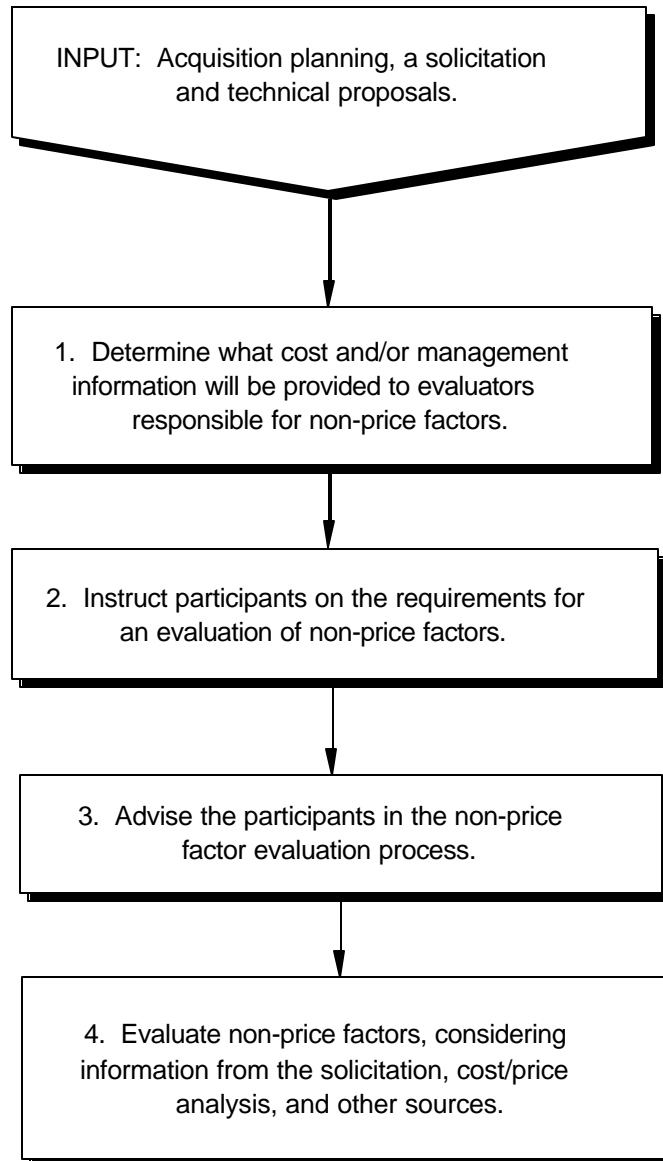
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Tasks	Related Standards
2. Complete the evaluation of quotations using appropriate procedures.	<p>The evaluation procedures proscribed in FAR 14 and 15 are not mandatory for simplified acquisitions. One or more, but not necessarily all, of the evaluation procedures in FAR 14 or 15 may be used.</p> <p>Formal evaluation plans, scoring of quotations, competitive range determination, and discussions are not required.</p> <ul style="list-style-type: none"><li>• Comparative evaluation of offers is common.</li><li>• Evaluation of other factors, such as past performance:<ul style="list-style-type: none"><li>- Does not require the creation or existence of a formal data base; and</li><li>- May be based on information such as the Contracting Officer's knowledge of and previous experience with the supply or service being acquired, customer surveys, or other reasonable basis.</li></ul></li><li>• Use available information including information provided by quoters as part of their quotation.</li><li>• Obtain support from technical personnel when necessary, based on the complexity of the requirement and the evaluation criteria identified in the solicitation.</li></ul>
3. Document the results of the evaluation.	<p>The level of documentation should fit the level of the evaluation and the need for discussions.</p> <ul style="list-style-type: none"><li>• Award to the firm with the lowest priced technically acceptable quotation may be limited to reasons why any lower priced quotations were not accepted.</li><li>• Award based on an evaluation of price and non-price factors should include an explanation of how those factors were evaluated.</li><li>• When discussions are anticipated, the result of the evaluation should be negotiation objectives.</li></ul>

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## Part B: Evaluating Proposals

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## Part B: Evaluating Proposals

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Tasks	Related Standards
1. Determine what cost and/or management information will be provided to evaluators responsible for non-price factors.	<p>Ensure that all evaluators have access to information of value in performing their respective roles.</p> <p>For example, technical evaluators may be provided limited cost information for determining whether the technical approach and price are consistent and represent a reasonable amount of risk (i.e., for cost realism analyses).</p> <p>When final proposal revisions are submitted by offerors after discussions, a supplemental evaluation of the revised technical proposals may be requested.</p>

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## Part B: Evaluating Proposals

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Tasks	Related Standards
<p>2. Instruct participants on the requirements for an evaluation of non-price factors.</p>	<p>Instructions should be clear and enumerate all responsibilities of evaluator(s) and concerns of the Contracting Officer.</p> <ul style="list-style-type: none"><li>• The evaluation should normally include:<ul style="list-style-type: none"><li>- An analysis of technical and managerial elements of the proposal, including the implications of the proposed labor mix and hours, material mix and quantities, proposed special tooling and facilities, proposed scrap and spoilage factors, tasks, schedule, and other such data.</li><li>- An overall comparative assessment of each proposal's potential for award.</li><li>- Initial ratings and/or analysis of how each proposal fares against the solicitation's factors and, if any, subfactors.</li><li>- Factual support for all findings and conclusions.</li><li>- Consideration of any need for communications to clarify offerors' proposals and, if necessary, specifics on what must be asked of the offeror.</li><li>- Consideration of any need to amend or cancel the RFP, and, if necessary, the nature of any such amendment.</li></ul></li><li>• When award will be made to the firm with the proposal that offers the best combination of price and non-price factors, the evaluation should include details on the proposal's specific deficiencies and relative strengths.</li><li>• Recommended negotiation objectives may be included when discussions are expected.</li><li>• Each evaluation should be signed. The head of the evaluation team should sign the overall evaluation report. Other signatures may be required by agency policy.</li></ul>

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Tasks	Related Standards
3. Advise the participants in the non-price factor evaluation process.	<p>As appropriate, provide an orientation, advice, and answers to questions related to the evaluation process. Stress the importance of:</p> <ul style="list-style-type: none"><li>• Evaluating all proposals using the factors and subfactors of RFP and previously prepared evaluation standards.</li><li>• Not contacting any offerors or making on-site visits without Contracting Officer approval.</li><li>• Safeguarding source selection and proprietary information.</li><li>• Assuring that there is no real or apparent conflict of interest.</li><li>• Not showing real or apparent favoritism to one offeror over another.</li><li>• Not revealing to any offeror:<ul style="list-style-type: none"><li>- Another offeror's technical solution;</li><li>- Another offeror's price without permission;</li><li>- The names of individuals providing past performance information about the offeror;</li></ul>or<ul style="list-style-type: none"><li>- Source selection information.</li></ul></li></ul>

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## Part B: Evaluating Proposals

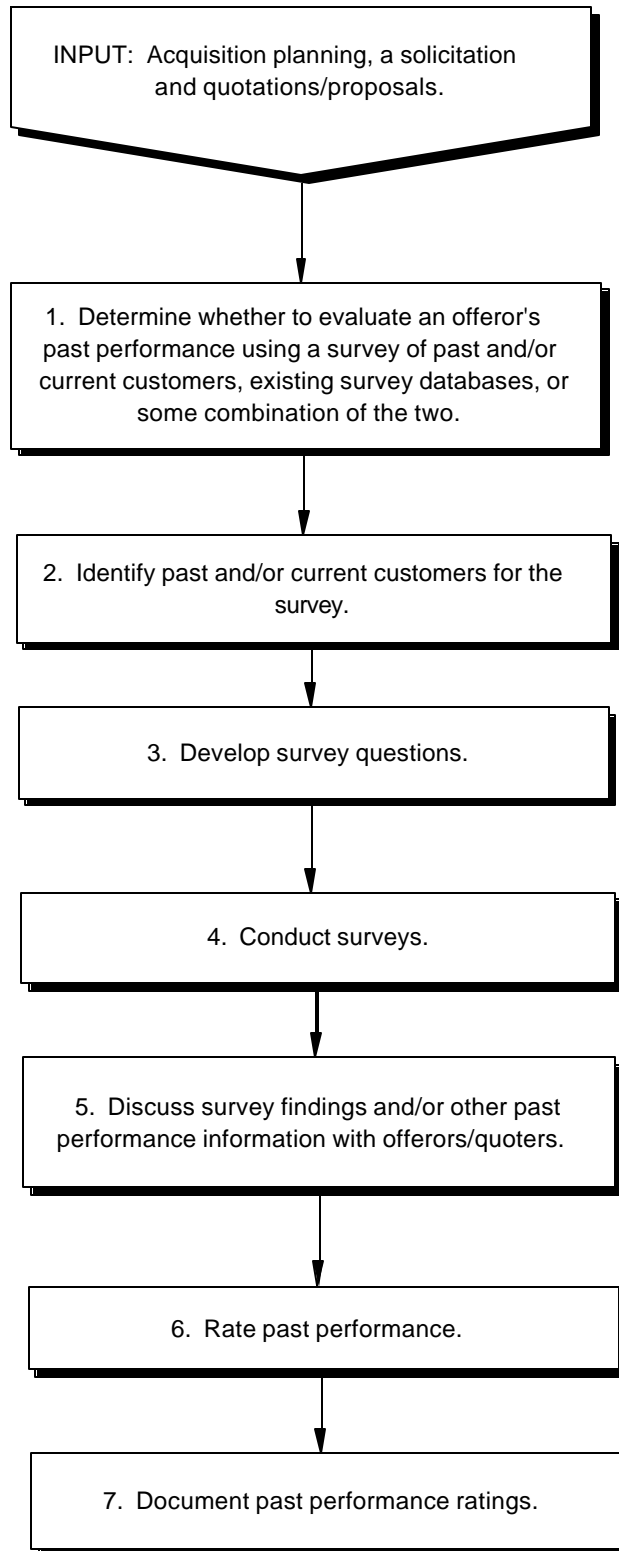
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Tasks	Related Standards
4. Evaluate non-price factors, considering information from the solicitation, cost/price analysis, and other available information.	<p>When award will be made to the firm with the lowest priced/technically acceptable proposal, evaluations of technical acceptability must be based solely on factors and subfactors in the solicitation, including any special standards of responsibility and/or non-price factors for evaluating technical acceptability.</p> <p>When performing a trade-off analysis, ratings or scoring must be based solely on evaluation factors identified in solicitation and the established methodology and standards for evaluation.</p> <ul style="list-style-type: none"><li>• Proposals must not be rated or scored against each other.</li><li>• Ratings or scoring must be reliable and valid.</li><li>• Evaluation ratings or scores must be documented, including:<ul style="list-style-type: none"><li>- The basis for evaluation;</li><li>- An analysis of the proposal's strengths and weaknesses against each non-price evaluation factor and subfactor identified in the solicitation;</li><li>- Identification of data (e.g., proposed labor mix and hours, material mix and quantities, tasks or schedules) that were found to be inconsistent with other elements of the offeror's proposal, audit reports, or data from other sources;</li><li>- A summary, matrix, quantitative or subjective rating, or score of each technical proposal in relation to the best possible score; and</li><li>- An evaluation summary.</li></ul></li><li>• Evaluations may identify priorities and trade-offs for consideration in preparing negotiation objectives.</li></ul>

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## Part C: Rating Past Performance

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Tasks	Related Standards
<p>1. Determine whether to evaluate an offeror's past performance using a survey of past and/or current customers, existing survey databases, or some combination of the two.</p>	<p>When awarding under FAR Part 15 procedures, the customers of offerors whose offers are not likely to make the competitive range considering factors other than past performance should generally not be surveyed.</p> <p>When awarding under FAR Part 13 procedures, limit evaluations of past performance to vendors under consideration for negotiations (if any are to be conducted) and/or award.</p> <p>Consider whether the information available from Government past performance databases provides adequate up-to-date information on offerors relevant to the acquisition requirements and estimated price. Government agencies maintain several relevant databases. The following are among the most commonly used:</p> <ul style="list-style-type: none"><li>• National Institutes of Health Contractor Performance System (CPS);</li><li>• Navy Contractor Performance Assessment Reporting System (CPARS); and</li><li>• Joint Electronic Commerce Program Office Past Performance Automated Information System (PPAIS).</li></ul> <p>Surveys of performance specifically related to the current requirement will normally provide the most relevant data. Such surveys are particularly useful when acquiring unique high-value requirements.</p>

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Tasks	Related Standards
2. Identify past and/or current customers for the survey.	<p>Include customers identified by the vendor with respect to past or current contracts (including commercial, Federal, State, and local government) for efforts similar to the current requirement.</p> <p>When such information is relevant to the instant acquisition, also attempt to survey customers of predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement (especially if the vendor is so new that it is difficult to find customers).</p>
3. Develop survey questions.	<p>Survey questions must be designed to collect data that are:</p> <ul style="list-style-type: none"><li>• Consistent from one offeror to the next;</li><li>• Reliable; and</li><li>• Valid for applying the past performance evaluation factors identified in the solicitation.</li></ul> <p>Ensure that survey questions are clear and concise.</p>
4. Conduct surveys.	<p>When conducting surveys, do not disclose source selection information, such as information on other offerors or on the contents of proposals. Be prepared to discuss information and respond to reasonable questions.</p>

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Tasks	Related Standards
5. Discuss survey findings and/or other past performance information with offerors/quoters.	<p>Communications must be held with offerors whose past performance information is the determining factor preventing the firm from being placed in the competitive range. These communications must address adverse information to which an offeror has not had a prior opportunity to respond.</p> <p>Communications/discussions with other offerors should normally address past performance information that could negatively affect an award decision. In particular, exchanges should address adverse information to which an offeror has not had a prior opportunity to respond.</p> <p>Never reveal the names of individuals who provided past performance information.</p>



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Tasks	Related Standards
6. Rate past performance.	<p>When developing an overall judgment on the vendor's past performance, consider such factors as:</p> <ul style="list-style-type: none"><li>• The vendor's overall work record.</li><li>• Whether the vendor has knowledge of adverse past performance.</li><li>• The number and severity of a vendor's problems, in relation to its overall work record.</li><li>• The age and relevance of past performance information to the requirement.</li><li>• Potential bias on the part of any given customer (e.g., whether the customer is a potential competitor of the vendor for other requirements).</li><li>• The extent to which performance by a vendor on a past contract was mitigated by corrective actions.</li><li>• Differences in requirements between the current solicitation and contracts with the customer (e.g., differences in the level of technical and performance risk).</li><li>• The extent to which the vendor has taken measures to correct past problems (e.g., are ratings improving with time?).</li><li>• Effectiveness of corrective actions taken by the vendor.</li><li>• Survey-related bias (e.g., a "halo" effect).</li></ul> <p>When a vendor does not have a record of relevant past performance or information on past performance is not available, the vendor may not be evaluated favorably or unfavorably on past performance.</p>
7. Document past performance ratings.	Provide sufficient documentation in the file to demonstrate that the Government's evaluation of past performance was fair, impartial, and reasonable given available information.