Section M – Evaluation Basis for Award

I. Basis for Contract Award

A. Source Selection Methodology:

This acquisition will utilize Tradeoff source selection procedures to conduct an integrated assessment for a best value award decision. The procurement is conducted in accordance with Revolutionary Federal Acquisition Regulation Overhaul (RFO) Clauses 15.103-1, 15.104, 15.2, 15.3, and 15.4, as supplemented by the DoD Source Selection Procedures referenced in Revolutionary Defense Federal Acquisition Regulation Supplement (R-DFARS) PGI 215.200 and the Department of the Air Force (DAF) Contracting Compass Part 15. The Government intends to award one contract as a result of this solicitation.

Under the best value approach, the Government seeks to award the contract to the offeror who provides the Air Force with the greatest confidence that they will meet or exceed requirements affordably and advantageously. The Source Selection Authority (SSA) will integrate the evaluation of the volumes and subfactors described in this provision to make this decision. This process may result in an award to a higher-rated, higher-priced offeror where the SSA reasonably determines that the technical superiority, overall business approach, and acceptable evaluation ratings of the higher-priced offeror outweigh the cost difference. Although the Government strives for maximum objectivity, the tradeoff process is inherently subjective; therefore, professional judgment is implicit throughout the selection process.

Offerors are reminded that the Government will evaluate only one proposal from each offeror. Award will be made to the responsible offeror whose proposal conforms to all required terms and conditions, includes all required representations and certifications, and meets all requirements set forth in the Request For Proposal (RFP). Additionally, the successful offeror must receive an assessment rating of acceptable for Volumes III, IV, and V, and provide the overall best value to the Government based on the evaluation results described in paragraph II below.

B. Volumes, Subfactors, and Relative Importance:

1. Volumes and Subfactors:

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

1. Volume II: Technical Proposal
   - Subfactor One: Technical Readiness Level (TRL) and Manufacturing Readiness Level (MRL)
   - Subfactor Two: Integration
   - Subfactor Three: Pilot-Vehicle Interface (PVI)
   - Subfactor Four: Sustainment
2. Volume III: Schedule
3. Volume IV: Past Performance
4. Volume V: Small Business Utilization
5. Volume VI: Cost/Price Proposal

2. Relative Importance:

The Government will make a best-value tradeoff decision based on the following evaluation factors.

- Volume II (Technical) is the most important factor and is significantly more important than Volume III (Schedule) and Volume VI (Cost/Price).
  - Within Volume II, Subfactor 1 (TRL & MRL) is more important than Subfactor 2 (Integration). Combined, Subfactors 1 and 2 are slightly more important than Subfactor 3

(Pilot-Vehicle Interface), which is slightly more important than Subfactor 4 (Sustainment).

- Volume III (Schedule) and Volume VI (Cost/Proce) are more important than Volume IV (Past Performance), which is significantly more important than Volume V (Small Business Utilization).
- Volumes IV and V will be evaluated on an acceptable/unacceptable basis and therefore are not part of the tradeoff decision.

II. Proposal Evaluation

The evaluation process will be accomplished as follows (organized by volume).

A. General:

1. Negotiations:

The Government intends to award without negotiations but reserves the right to conduct negotiations if determined necessary. Any negotiations will be conducted In Accordance With (IAW) RFO Clause 15.204. If the Contracting Officer determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the Contracting Officer, with the concurrence of the Source Selection Authority, may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals pursuant to RFO Clause 15.204-1(b).

2. Gating:

The Government intends to use a gating system to identify and more efficiently evaluate those proposals that are most responsive to the solicitation. The following sections identify the criteria for proceeding through the numbered gates.

It is the Government's intention to re-establish the competitive range upon conclusion of Gate 3 evaluations. All offerors that do not meet the applicable exit criteria for Gates 1, 2, and 3 will be eliminated from the competitive range, and no further proposal revisions or submittals will be accepted for evaluation in accordance with RFO Clauses 15.204-1 and 15.204-2. However, this does not preclude the Government's right to re-establish/redetermine the competitive range at any time during the source selection in accordance with RFO Clause 15.204-1 and RFO Clause 15.204-2.

The Government reserves the right to reopen the Gating process at any stage to ensure a reasonable pool of offerors is presented to the SSA for an award decision. Upon the conclusion of any gate's evaluations, if the number of offerors identified as meeting the exit criteria for that gate is determined to not be a reasonable pool of offerors, the Government reserves the right to "reach back" to previous gates to continue negotiations with offerors to potentially bring them forward. The determination of a reasonable pool of offerors is within the Government's discretion and cannot be defined upfront due to the inherent subjective nature of the tradeoff process.

a. Gate 1

Offerors that provide a Completed RFP as specified in Section M.II.B.1 will be placed in Gate 1. Proposals from offerors who are not placed in Gate 1 will be considered ineligible for award.

All offerors within Gate 1 shall have their Volume II, Technical Proposal, Subfactor One evaluated IAW Section M.II.C.1.a. A color and adjectival rating from Table 1 will be assigned IAW DoD Source Selection Procedures Paragraph 3.1.2.2 5.2.2 and a separate technical risk rating from Table 2 will be assigned IAW DoD Source Selection Procedures Paragraph 3.1.2.2. 5.2.2.

Offerors will advance to Gate 2 only if they achieve a technical rating of Acceptable and Green or higher and a technical risk rating of Moderate or Low within for Subfactor One. Any offeror not meeting these combined standards will be retained in Gate 1.

Table 1. Technical ratings and descriptions

Technical Ratings		
Color	**Rating**	**Description**
BLUE	Outstanding	Proposal demonstrates an exceptional approach and understanding of the requirements, contains multiple strengths and/or at least one significant strength.
PURPLE	Good	Proposal demonstrates a thorough approach and understanding of the requirements and contains at least one strength or significant strength.
GREEN	Acceptable	Proposal demonstrates an adequate approach and understanding of the requirements.
YELLOW	Marginal	Proposal has not demonstrated an adequate approach and understanding of the requirements.
RED	Unacceptable	Proposal does not meet requirements of the solicitation and, thus, contains one or more deficiencies and is un-awardable.

Table 2. Risk ratings and descriptions

Risk Ratings	
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.

b. Gate 2

All offerors within Gate 2 shall have Volume II, Technical Proposal evaluated for Subfactors Two, Three, and Four IAW Sections M.II.C.2-4, respectively. A technical color/adjectival rating from Table 1 and a technical risk rating from Table 2 will be applied to each of Subfactors Two, Three, and Four. For each of the Subfactors One-Four, a score corresponding to the assigned technical rating and risk rating will be allocated according to the values in Table 3 and Table 4, respectively, and the scores will be totaled together.

Table 3. Technical rating scores for Subfactors One – Four and Volume II

Technical Ratings Subfactors One – Four and Volume II		
Color	**Rating**	**Score**
BLUE	Outstanding	5
PURPLE	Good	3
GREEN	Acceptable	1
YELLOW	Marginal	0
RED	Unacceptable	n/a (not awardable)

Table 4. Risk ratings for Subfactors One - Four and Volume II

Risk Ratings for Subfactors One - Four and Volume II		
Risk Rating	**Score (Subfactor One)**	**Score (Subfactor Two - Four)**
Low	4	3
Moderate	2	1
High	0	0
Unacceptable	n/a (not awardable)	n/a (not awardable)

In addition to the evaluation of Subfactors One - Four, the Government will apply Government-estimated hours and base costs to each offeror's submitted Volume VI, Cost/Price Proposal to calculate the Total Proposed Price (TPP).

The two (2) offerors with the highest total scores resulting from the assigned technical color/adjectival ratings and risk ratings will proceed to Gate 3. These scores will only be used for the purpose of determining which offerors proceed from Gate 2 to Gate 3. The scores will not be used for the best value award decision in Gate 7.

Should there be a tie among offerors based on their total tallied scores, the Government intends to determine the two (2) offerors to proceed to Gate 3 based on lowest TPP. All offerors that do not proceed to Gate 3 will remain in Gate 2.

c. Gate 3

All offerors within Gate 3 shall have their Volume III, Schedule evaluated in accordance with (IAW) Sections M.II.D and M.II.C.1.a. Based on this evaluation, the Government will assign a color and adjectival rating from Table 1, and a separate technical risk rating from Table 2, IAW DoD Source Selection Procedures Paragraph 3.1.2.2. The two (2) offerors with the lowest Total Proposed Price (TPP) among those receiving an "Acceptable" Schedule rating will proceed to Gate 4. All offerors evaluated and determined to have a Schedule rating of "Unacceptable," or those that do not represent one of the two (2) lowest TPPs, will remain in Gate 3.

Gate 2 Reach-Back: In the event that fewer than two (2) offerors within Gate 3 achieve an "Acceptable" Schedule rating, the Government reserves the right to reach back to Gate 2. The Government may advance the next eligible offeror(s) from Gate 2 into the Gate 3 evaluation pool (based on the Gate 2 advancement criteria) and evaluate their Schedule IAW this section. The Government will continue this process until two (2) offerors meet the criteria to proceed to Gate 4.

d. Gate 4

All offerors advancing to Gate 4 shall have their Volume IV (Past Performance) and Volume V (Small Business Participation) evaluated concurrently on an Acceptable/Unacceptable basis.

- All Offerors shall have their Volume IV evaluated in accordance with Section M.2E, the Government will assess the Offeror's probability of meeting the solicitation requirements based on their demonstrated record of recent and relevant past performance on contracts of similar scope, magnitude, and complexity. To achieve an "Acceptable" rating, the Offeror must demonstrate a history of successful execution or possess an unknown/neutral past performance history. A record containing significant or unresolved systemic performance issues may result in an "Unacceptable" rating.

- The Government will evaluate each Offeror's Volume V, Small Business Participation Commitment Document (SBPCD), to determine the extent of small business concern participation in the performance of the contract. Evaluators will assess the adequacy and realism of the Offeror's approach to meeting or exceeding the Government's small business objectives to assign an "Acceptable" or "Unacceptable" rating.

To proceed to Gate 5, an offeror must receive an "Acceptable" rating in both Past Performance and Small Business Participation. The two (2) offerors receiving "Acceptable" ratings in both volumes will proceed to Gate 5. All offerors evaluated and determined to have an "Unacceptable" rating in either volume will remain in Gate 4.

e. Gate 5

A complete Volume VI Cost/Price Proposal evaluation will be conducted for all offerors entering Gate 6 in accordance with Section M, 2G. All offerors' cost/price proposals shall be evaluated for reasonableness, balance, and cost realism (for cost-type CLINs). Offerors whose proposals are determined to be reasonable, balanced, and demonstrate overall cost realism at the Total Evaluated Price (TEP) level will proceed into Gate 7. All offerors whose proposals are determined to be unreasonable, unbalanced, or present an unrealistic overall TEP will remain in Gate 6. Price realism is not a factor in this source selection evaluation.

f. Gate 6

g. All offerors within Gate 4 will receive a Final Proposal Revision (FPR) Request in accordance with RFO 15.204-2(d). Gate 7

The SSA will utilize the Tradeoff source selection procedures to make an integrated assessment for a best value award decision using the relative importance above.

B. <u>Volume I, Completed RFP</u>

1. <u>Completed RFP:</u>

Completed RFP shall be evaluated for compliance to ensure the RFP and any amendments issued are signed, and all "fill-in" clauses and provisions are completed as required. The cover letter shall be evaluated to determine the number, types, and accompanying rationale of exceptions taken to the RFP terms and conditions. The Government reserves the right to determine any exceptions taken to the RFP terms and conditions as being non-compliant with the stated solicitation requirements and thus render the proposal not eligible for award. Proposals with a completed RFP will be placed in Gate 1.

2. <u>Cross Reference Matrix:</u>

The cross-reference matrix will be utilized as a tool to show critical interrelationships and dependencies among the technical requirements documents (System Requirements Document (SRD), Performance Work Statement (PWS), the Contract Data Requirements List (CDRL), Section L (Instructions to Offerors) and Section M (Evaluation Basis for Award). The cross-reference matrix will help offerors ensure they have responded to all the evaluation criteria and proposal submittal requirements identified in the solicitation. To include, but not limited to Voluntary Protection Programs (VPP), Small Business Plan, Supplier Performance Risk System (SPRS), Cybersecurity Maturity Model Certification (CMMC), and Joint Venture Agreement. If the matrix conflicts with any other requirement, direction, or provision of this solicitation, the other reference shall take precedence over this matrix. Section M references in the matrix are for informational purposes only, and the Government shall be obligated to evaluate proposals solely in conformance with the provisions of Section M of the solicitation.

C. <u>Volume II: Technical Factor</u>

1. <u>Volume II, Technical Proposal</u>

All offerors shall have their Volume II, Technical Proposal evaluated IAW Tables 1-4 identified above in the gating process M.II.A.2. The offeror's Technical Proposal shall provide a sound, compliant approach to completing the technical tasks documented in the Degraded Visual Environment System (DVES) Performance Work Statement (PWS) and delivering a materiel solution that meets the requirements documented in the DVES SRD and demonstrates a thorough knowledge and understanding of those requirements and their associated risks. The technical proposal addresses each of the following Subfactors in sufficient detail. For each Subfactor, the offeror identifies risks, if any, associated with the proposed approach and actions the offeror will take to mitigate the identified risks. If no risks/mitigations are identified in the offeror's proposal, it indicates the offeror does not consider there to be any risk associated with their proposed approach. Offerors are reminded that the Government may independently identify risks with the proposed approach beyond those identified by the offerors themselves.).

a. Subfactor One: Technical Readiness Level (TRL) and Manufacturing Readiness Level (MRL)

The offeror's TRL, MRL, and, if provided, Human Readiness Level (HRL) assessments and the supporting evidence provided by each offeror in their proposal IAW the instructions in Section L.II.C.2.a. The Offeror shall ensure the proposal adequately, clearly, and sufficiently addresses, the program requirements and schedule within an acceptable risk margin:

(1) The TRL of system components, including hardware, firmware, and software components, and the MRL of hardware components.

(2) The TRL and, if provided, HRL of the end-to-end data acquisition, processing, and PVI controls and displays with respect to the specific application of rotary wing operations in DVE as described in the DVES Concept of Operations (CONOPS) and SRD Sections 3.2.1 – 3.2.3, and the degree to which the TRL assessment comprehensively covers all aspects of the approaches provided by the offeror in response to Subfactor Two: Integration and Subfactor Three: PVI.

(3) The TRL of integrated system capabilities for providing situational awareness (SA) for aircrew:

   (a) aircraft-induced DVE (i.e., brownout, whiteout), per SRD Sections 3.2.3.5 – 3.2.3.10
   (b) ambient DVE (i.e., smoke, rain, fog, smog, clouds, darkness, flat light, and blowing sand, dust, and snow), per SRD Sections 3.2.3.4 and 3.2.3.11
   (c) adverse mission conditions such as GPS-degraded/denied navigation (SRD Section 3.2.10.8) and engagement of platform weapons (Section 3.6.12.22)

   The proposal shall provide an assessment and evidence for the proposed "see-and-remember" technique and demonstrate how it contributes to the provision of SA in the above conditions.

(4) The assessment, evidence, plan, and schedule for any physical or logical component of the proposed system requiring additional development prior to or during the DVES program to specifically meet the requirements of DVES as documented in the DVES SRD.

b. Subfactor Two: System Integration

The proposal shall detail the offeror's approach to integrating DVES into the HH-60W aircraft and demonstrate the degree to which DVES functionality aligns with the operational Tactics, Techniques, and Procedures (TTPs) described in the DVES CONOPS. The proposal shall define the scope of work to integrate DVES, including the scope of DVES software development to be performed by the contractor and the scope of software modifications to existing aircraft systems (e.g., AMC, FMS, SGBA, etc.) to be undertaken by the government. In addition, the proposal shall address the following subjects to ensure the integration approach aligns with program requirements as specified in the DVES PWS and SRD and provides an acceptable risk margin:

(1) Integration of DVES with existing MFDs to provide two (T) or four (O) independent video sources supplying the four (4) pilot station MFDs and two crew station MFDs IAW SRD Sections 3.2.4.5 and 3.2.8.

(2) Integration of DVES with the Flight Management System (FMS) or other aircraft bus or subsystem to ingest flight plans, waypoints, and storepoints IAW SRD Sections 3.2.4.6, 3.2.12.1 – 3.2.12.5, and 3.2.12.7.1 – 3.2.12.7.2, and to save storepoints to the FMS IAW SRD Sections 3.2.4.7 and 3.2.12.6.

(3) Integration of DVES with the Integrated Vehicle Health Management System (IVHMS) for publishing maintenance data IAW SRD Section 3.2.4.10.

(4) Integration of DVES with mission planning software and processes IAW SRD Section 3.2.4.12, including the ability to utilize the DVES World Model to inform AARs and future mission planning IAW SRD Sections 3.2.10.1 – 3.2.10.7.

(5) Integration of DVES in a manner that satisfies the following physical integration requirements:

(a) size, weight, and power requirements IAW SRD Sections 3.2.4.1, 3.6.2, 3.6.8.2, and 3.6.12.14; and PWS Sections 4.7.7, 4.7.8, 4.7.23, and 4.7.26
(b) EMI/EMC requirements in SRD Section 3.6.4
(c) Functional isolation requirements in SRD Section 3.6.1.

c. Subfactor Three: Pilot-Vehicle Interface (PVI)

The proposal shall detail the offeror's approach to providing PVI controls and display presentations that meet the DVES requirements as documented in the DVES SRD sections specified below. The proposal shall describe the content of display presentations and the complete end-to-end data acquisition and processing chain used to render the presentation and demonstrate that the proposed approach satisfies the display latency requirement in SRD Section 3.2.7. The proposal shall specifically address the following subjects to ensure the proposed PVI approach aligns with program requirements as specified in the DVES PWS and SRD and provides an acceptable risk margin:

(1) Spatially and temporally registered sensor imagery and symbology that enables aircrew to assess closure rates and distances to obstacles, including terrain, IAW SRD Sections 3.2.1 – 3.2.3, and 3.2.7.1 – 3.2.7.3.

(2) Spatially and temporally registered sensor imagery and terrain-conformal landing zone symbology as described in SRD Section 3.2.9.4 – 3.2.9.5 under the scenario of a direct approach using DVES Sensors to measure the elevation of the landing point IAW Section 3.2.5.1.

(3) Controls for system and display configuration functions IAW SRD Section 3.2.6, 3.2.7.7 – 3.2.7.9, 3.2.8.3, 3.2.8.5, and 3.2.15.

(4) Controls and presentations for managing the DVES internal flight plan and previewing available obstacle and imagery data along the specified route IAW SRD Section 3.2.13.5 - 3.2.13.13.

(5) Visual and aural Warnings, Cautions, and Advisories (WCAs) IAW SRD Section 3.2.14 and indication of diminished DVES Sensors capability IAW Section 3.2.5.7.

d. Subfactor Four: Sustainment

The proposal shall detail the offeror's approach to delivering a sustainable materiel solution IAW the requirements of the DVES PWS and SRD. The proposal shall address all aspects of DVES sustainability including hardware, software, and technical data across all phases of the product life cycle including Engineering and Manufacturing Development (EMD), Production and Deployment (P&D), and Operations and Sustainment (O&S). The proposal shall detail the offeror's approach to and experience in developing and releasing training material, technical data products (to include diagrams, drawings, technical documentation of hardware and software, logistical documentation) and Technical Orders (TOs). The technical rating evaluates the quality of the offeror's technical solution for meeting the Government's requirements. Technical risk, which is manifested by the identification of weaknesses, assesses the degree to which an offeror's proposed approach for the requirements of the solicitation may cause disruption of schedule, increased costs, degraded performance, the need for increased Government oversight, and the likelihood of unsuccessful contract performance. The evaluation shall address the Source Selection Team's identification of any weakness as well as the offeror's identified risks and proposed mitigation (if applicable) and document why that is or is not manageable. Each Technical Subfactor identified above will receive one of the color ratings described in the DoD Source Selection Procedures excerpted below, which focuses on the strengths, weaknesses, significant weaknesses, uncertainties, and deficiencies of the offeror's proposal. The color rating depicts how well the offeror's proposal meets the Technical Subfactor requirements. Subfactor ratings shall not be rolled up into an overall color rating for the Technical Factor.

Note: *The Government shall utilize the definitions as provided in the DoD Source Selection Procedures, section 5 for "strength", "significant strength", "weakness", "significant weakness", "uncertainty", and*

"deficiency". The Government is not bound by the offeror's opinion on the applicability of these terms to their proposal. Further, offerors are hereby notified that those aspects of the proposed approach warranting an identification of a "strength", a "significant strength", a "Purple" or a "Good" technical rating, or a "Blue" or "Outstanding" technical rating will be formally incorporated into the contract.

The proposal shall specifically address the following subjects to ensure the proposed PVI approach aligns with program requirements as specified in the DVES PWS and SRD and provides an acceptable risk margin:

(1) The proposed approach for transitioning DVES to organic Government sustainment at the outset of the O&S phase of the program. The proposal must detail what aspects of DVES sustainment will require continuing Contractor Logistics Support (CLS) from the OEM and/or subcontractors and what options may exist for pursuing greater logistical efficiency through partnering with other services already using DVES or DVES component LRUs.

(2) The proposed approach for transitioning DVES software to full life cycle, organic Government sustainment to enable the Government to develop and field software modifications and enhancements, apply cybersecurity updates, and change configuration settings. The proposal shall also include the approach for delivering the technical data necessary to support organic Government sustainment, including all technical data related to software design, interfaces, operation, and development/release environments.

(3) The proposed approach for developing and modifying TOs, developing and delivering training materials and initial "train-the-trainer" training. The proposal shall also detail the proposed approach towards "design-for-maintainer", and for developing and releasing technical drawings, functionality descriptions, diagrams, illustrations, notes, and other documentation per PWS Sections 4.9, 4.10, and 4.13, and all relevant CDRLs.

(4) The quality and quantity of evidence provided by the offeror IAW Section L.II.B.2.d to substantiate the sustainability of their proposed materiel solution.

(5) The approach presented by the offeror to supply, support, and support logistics, including Packaging, Handling, Storage, and Transportation (PHS&T), to include kit production and distribution/installation, item marking and tracking, and overall implementation of an Integrated Logistics Support Plan (ILSP) across the life cycle of the system.

D. <u>Volume III, Schedule</u>

All offerors reaching Gate 3 according to the gating process defined in Section M.II.A, shall have their Volume III, Schedule evaluated IAW the gating process M.II.A.2. The proposal shall provide a schedule that clearly demonstrates alignment with program requirements and the feasibility of completing the work described in Volume II, Technical Proposal to meet program milestones. To establish feasibility, the proposal shall clearly detail the offeror's stated assumptions and identify any external factors that may impact the critical path of the program but are outside the offeror's control. This factor is met, and an assessment rating of Acceptable will be assigned, when the proposal adequately satisfies these schedule criteria.

E. <u>Volume IV, Past Performance</u>

All offerors reaching Gate 4 according to the gating process defined in Section M.II.A, shall have their Volume IV, Past Performance evaluated IAW the gating process M.II.A. The proposal shall provide sufficient evidence of past performance that demonstrates the offeror's capability to successfully execute the program requirements. This factor is met, and an assessment rating of Acceptable will be assigned, when the proposal adequately demonstrates a relevant and satisfactory record of past performance.

Rating	Description

Acceptable	Based on the offeror's performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort, or the offeror's performance record is unknown
Unacceptable	Based on the offeror's performance record, the Government has no reasonable expectation that the offeror will be able to successfully perform the required effort

The proposal shall demonstrate a record of performance on recent and relevant contracts in the past seven (7) years that establishes confidence in the offeror's ability to successfully execute the required effort. This factor is met, and an assessment rating of Acceptable will be assigned at the conclusion of Gate 4, when the proposal adequately and clearly establishes satisfactory recency, relevance, and quality across the past performance record. To meet the relevancy standard, the provided past performance record shall address scope, magnitude (e.g., dollar value and period of performance), and complexities (body of work), as well as programmatic and logistical considerations (including dollar value, length of effort, quantity produced, and the type/complexity of data deliverables).

F. <u>Volume V, Small Business Participation</u>

All offerors reaching Gate 5 according to the gating process defined in Section M.II.A shall have their Volume V, Small Business Participation evaluated IAW the gating process M.II.A . The proposal shall detail the offeror's commitment to Small Business Participation, demonstrating a firm approach to maximizing opportunities for small businesses and providing a historical track record of achieving small business subcontracting goals. This factor is met, and an assessment rating of Acceptable will be assigned for Gate 5, when the proposal adequately and clearly presents a comprehensive plan, verifiable commitments, a sound strategy for complying with participation goals and requirements, and a satisfactory historical utilization record.

Rating	Description
Acceptable	Proposal indicates an adequate approach and understanding of the small business objectives
Unacceptable	Proposal does not meet small business objectives or has not demonstrated an adequate approach and understanding of the small business objectives

G. <u>Volume VI, Cost/Price Proposal</u>

1. General: In Gate 6, the Government will evaluate each remaining offeror's proposal submitted in Cost/Price Proposal, for reasonableness, balance, and cost realism. Price realism is not a factor in this source selection evaluation. A Total Evaluated Price (TEP), which will include an aggregate calculation of FFP CLINs and a Most Probable Cost (MPC) for cost-type CLINs, will be presented to the Source Selection Authority (SSA) for consideration in making the best value determination. For purposes of the Gate 2 evaluation, the Government will calculate the Total Proposed Price (TPP) for each offeror as the sum of all CLIN prices proposed within the offeror's completed RFP Attachment 11, RFP Cost Model, submitted as part of Volume VI, Cost/Price Proposal. Cost/Price will not receive an adjectival rating. The Government will evaluate each offeror's cost/price proposal using one or more of the techniques

described in RFO 15.404. As Price Realism is not a proposal analysis technique listed under RFO 15.404, Price Realism will not be considered nor included in the evaluation criteria.

Offerors shall review all instructions contained within RFP Attachment 11, RFP Cost Model, and shall ensure the information provided is compliant with the instructions provided. The offeror's (Prime and Major Subcontractor's) proposed unit costs/prices in RFP Attachment 11, RFP Cost Model, will be evaluated for reasonableness, balance, and TEP calculation in accordance with Paragraphs 2, 3, and 5 below. The offeror's (Prime and Major Subcontractor's) proposed costs in RFP Attachment 11, RFP Cost Model, Cost Formats A, B, C, and D will be evaluated for cost realism and MPC in accordance with Paragraph 4 below. The TEP will be used for evaluation purposes only. Offerors are advised that evaluation of Options shall not obligate the Government to exercise said options.

2. Reasonableness: The existence of adequate price competition is expected to support a determination of reasonableness. Price analysis techniques may be used to further validate price reasonableness. If adequate competition is not obtained or if price reasonableness cannot be determined using price analysis of Government obtained information, additional information in accordance with RFO Clause 15.404 may be required to support the proposed prices, such as cost analysis.

3. Balance: Offerors are cautioned against submitting an offer that contains unbalanced pricing. Unbalanced pricing exists when, despite an acceptable total evaluated cost/price, the cost/price of one or more contract line items or sub-line items (Basic and Option periods) is significantly overstated or understated as indicated by the application of cost/price analysis techniques. An overstated or understated CLIN cost/price may be due to (a) an illogical progression of rates or unit costs/prices between program years, (b) unit costs/prices that do not take into account quantity variations, or (c) the "front-loading" of CLINs; either of these situations would reflect an inaccurate "true" cost/price for that CLIN. Front-loading occurs when a larger than normal amount of costs are concentrated in an early contract period. The Government may consider any "front-loaded" CLIN as unbalanced, because acceptance of the proposal could result in advance payment. The Government will analyze offers to determine whether there are unbalanced, separately priced line items or sub-line items. Proposed unit costs/prices will be compared and evaluated to ensure that a logical progression exists as related to price and/or quantity changes within each offeror's response to the pricing structure in RFP Attachment 11, RFP Cost Model. Offers that are determined to be unbalanced may be rejected if the lack of balance poses an unacceptable risk to the Government.

4. Cost Realism: The Government will perform cost realism analyses on the CPFF and CRNF CLINs' proposed costs. Cost realism is the process of independently reviewing and evaluating specific elements of each offeror's proposed cost estimate to determine whether the estimated proposed cost elements are realistic for the work to be performed, reflect a clear understanding of the requirements, and are consistent with the unique methods of performance described in the offeror's technical proposal. The burden of proof for cost realism rests with the offeror. Accordingly, proposals will be evaluated to assess the likelihood that the proposed technical approach can successfully accomplish the offeror's SOW at the competitively proposed cost for cost-type CLINs.

For cost-type CLINs, the result of cost realism analysis is the MPC. The MPC estimate is the Government estimate of the cost to acquire specified goods and/or services based on each offeror's proposed approach. The MPC is based upon an analysis of each offeror's unique proposal in accordance with RFO 15.404-1. The MPC may differ from the proposed cost and will reflect the Government's best estimate of the cost that is most likely to result from the offeror's proposal. MPC will be used in making a determination of best value. The overall evaluated MPC includes the likely cost to the Government for all cost CLINs (Basic and Option periods).

5. Total Evaluated Price (TEP): The TEP will be used for evaluation purposes only. It will be calculated by adding together the evaluated price and most probable cost for the CLINs as outlined below in both the Basic and Option periods. Offerors are advised that the evaluation of options shall not obligate the

Government to exercise such options. The sum of the evaluated prices for CLINs 0001, 0002, 0003, 0004, 0005, 0006, 0007, 0008, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 2001, 2002, 2003, 2004, 3001, 3002, 3003, 3004, 4001, 4002, 4003, 4004, 5001, 5002, will represent the TEP. The evaluated prices for each of the aforementioned CLINs and will be calculated as explained in the following paragraphs. In accordance with RFO Clause 15.404-9(c)(4)(i), the Government will not allow for fee that exceeds the statutory limitation for Cost Plus Fixed Fee (CPFF) or Cost Plus Fixed Fee (CPFF).

a) CLINs 0007, 1002, 1003, 2001, 2002, 3001, 3002, 4001, and 4002 (FFP): The evaluated CLIN price will be calculated by multiplying the proposed unit price times the respective quantity.

b) CLINs 0001, 0002, 0003, 0004, 0005, 0006, 1001, 1004, 1005, 1006, 2003, 3003, 4003, 5001, and 6001 (CPFF): The Government will multiply the proposed fee times the offeror's most probable cost (excluding most probable cost of money), yielding the evaluated total fee dollars. The Government will add the evaluated total fee dollars to the offeror's most probable cost and most probable cost of money, yielding the evaluated price. The Government will multiply the evaluated price times the respective quantity, yielding the evaluated CLIN price.

c) CLINs 0008, 1007, 2004, 3004, 4004, 5002, and 6002 (CRNF): The evaluated CLIN price will be the offeror's most probable cost added to the offeror's most probable cost of money.

d) CLINs 0009, 1008, 2005, 3005, 4005, 5003, and 6003 are Not Separately Priced (NSP) and will not be part of the TEP calculation.