

BEST VALUE SOURCE SELECTION

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U.S. Government Approaches to Selecting Contractors

- Sealed Bidding – FAR Part 14
 - Award to the responsible contractor offering the lowest priced responsive offer
- Negotiations (Competitive) – FAR Part 15
 - Types of Competitive Negotiations
 - Low Priced, Technically Acceptable
 - Best Value Source Selection
 - Principle Distinctions:
 - Award based on price and non-priced factors
 - Discussions are contemplated



What is Best Value?

Best Value Source Selection (BVSS) is a process used in Competitively Negotiated contracts to select the *most advantageous offer* to the government by evaluating proposals based on specifically identified *non-pricing criteria as well as cost or price.*



Why Use Best Value?

- Allows us to select contractors based on what is truly important to us in any particular procurement (always includes price)
- Increases the probability of successful performance
- Encourages good performance and cooperation
- Provides an environment for rewarding good performance



How Does BVSS Work?

1. Determine what is important in the procurement.
2. Tailor selection criteria (factors & sub factors) to what is important
3. Determine the relative importance of the non-pricing factors to price. Determine the relative importance among the non-pricing factors & sub factors
4. Determine what information you need from offerors to be able to evaluate against criteria
5. Determine a Rating Scheme and define what each rating represents (outstanding, satisfactory, poor)



How Does BVSS Work?

6. Establish Boards (Technical, Price, and Advisory) of qualified personnel to evaluate proposals
7. Technical Board evaluates offers against stated technical criteria and provides ratings
8. The Price Board evaluates pricing and ranks offers according to price only
9. The Advisory Board reviews output of other boards, accepts conclusions or changes it, determines if discussions (negotiations) are necessary and if so, determines a competitive range of offers with a realistic chance to win the award



How Does BVSS Work?

10. Conduct discussions with all offerors in competitive range and allow them to revise proposals.
11. Conduct evaluations again.
12. Advisory Board, based on technical ratings and pricing of each offer, conducts a technical/price trade-off and recommends selection with written rationale
13. Source Selection Authority reviews all of the above, and either concurs with recommendation or makes an independent decision with supporting written rationale.



Relative Importance

- Is price important (more, less, or equally important to Technical Factors combined?)
- Which of the major Technical Factors is most important? Which next and so on.
- What sub factors within each is more important?
- Envision scenarios based on above and decide if this really is your position.



Select the Evaluation Teams

- Source Selection Authority - Determine who should make the final award decision
- Source Selection Advisory Board – Often managerial / customer personnel / legal
- SS Technical Evaluation Board - Subject matter experts evaluating proposal regarding technical, management, and socioeconomic factors
- Pricing - Qualified personnel to evaluate reasonableness of pricing



Develop Rating Scheme

- Rating Schemes
 - Adjectival (Outstanding Satisfactory, Poor)
 - Numerical (1 to 100, or 1 to 5)
 - Color (Blue, Green, Yellow, Red)
- Define what it takes to obtain each rating in general terms to avoid stifling innovative ideas. *



Source Selection Plan

- FAR 15.303(b)(2) states that the SSA shall approve source selection strategy and acquisition plan if applicable.
- DFARS 215.303(b)(2) states that for high dollar value and...the SSA shall approve a source selection plan.



Why a Source Selection Plan?

- The Source Selection Plan establishes the approach and ground rules. The contractors and all the government participants must have the same understanding of the proposed competitive process.
- Note: Most protests are sustained because the government failed to follow its own rules/criteria



Source Selection Plan Min. Content – DFARS

- Organization, membership, and responsibilities of source selection teams
- Evaluation factors & significant subfactors and their relative importance
- Description of procedures to be used
- Schedule of significant events
announcement of the decision



SSEB - Evaluation of Proposals

- The same personnel should evaluate each proposal eliminating unequal ratings.
- Evaluation should be against the stated criteria only and should be done using the rating scheme previously documented .
- The basis for each rating should be documented referring to the proposal when practical.
- The organized document becomes the team's report



SSAB – Evaluation

- Agree or modify SSEB report
- Agree or modify Price Eval. Board report
- Determine proposal value and document it based on strengths and weaknesses and a Tech-Price trade-off considering the relative importance among Tech factors and between Technical and Price.
- Recommend whether discussions are necessary and if required formulate questions.
- Determine, document, and recommend the best value proposal to the SSA.



Discussions / Exchanges

- The C. O. and SSA must decide if award will be made with or without discussions and state so in the RFP (clause 52.215-1)
- FAR 15.306 governs Exchanges and Discussions. Contracting officer controls discussions
 - Prior to establishing competitive range – “Communications” primarily for clarification
 - After competitive range – “Negotiations” with intent to encourage Revisions to proposals)



Limitations on Discussions

- Discussions intended to favor one offeror, coaching – technical leveling
- Reveals another's technical solution – technical transfusion
- Reveals the price of another offeror
- Auctioning
- Revealing names of individuals providing past performance references



Decision and Award

- The SSA will review the reports and recommendation, decide whether he / she agrees with the recommendation.
- SSA makes decision and documents the basis for the decision.
- The contracting officer will execute the award decision.

