



DEPARTMENT OF THE NAVY  
NAVAL AIR SYSTEMS COMMAND  
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IN REPLY REFER TO

NAVAIRINST 4200.39C CH-1  
AIR-4.10E

DEC 16 2013

NAVAIR INSTRUCTION 4200.39C CHANGE TRANSMITTAL 1

From: Commander, Naval Air Systems Command

Subj: PRINCIPLES AND PROCEDURES FOR COMPETITIVE SOURCE  
SELECTION

Encl: (1) Revised Page 4 of Enclosure (1)  
(2) Revised Page 6 of Enclosure (1)  
(3) Revised Page 9 of Enclosure (1)  
(4) Revised Page 10 of Enclosure (1)  
(5) Revised Page 19 of Enclosure (1)  
(6) Revised Page 34 of Enclosure (1)  
(7) Revised Page 35 of Enclosure (1)  
(8) Revised Page 38 of Enclosure (1)  
(9) Revised Page 43 of Enclosure (1)  
(10) Revised Page 53 of Enclosure (1)

1. Purpose. To transmit new pages 4, 6, 9, 10, 19, 34, 35, 38, 43, and 53 of the directives enclosure (1). These changes provide updates and clarification to Source Selection procedures.

2. Action. Remove pages 4, 6, 9, 10, 19, 34, 35, 38, 43, and 53 of the basic instructions enclosure (1) and insert enclosures (1) through (10), respectively.

A handwritten signature in black ink, appearing to read "M. W. DARRAH".

M. W. DARRAH  
By direction



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NAVAIR INSTRUCTION 4200.39C

From: Commander, Naval Air Systems Command

Subj: PRINCIPLES AND PROCEDURES FOR COMPETITIVE SOURCE  
SELECTION

- Ref:
- (a) FAR Part 15
  - (b) Office of the Under Secretary of Defense Memorandum, DoD Source Selection Procedures of 4 March 2011
  - (c) DoD Directive 5000.1, The Defense Acquisition System of 12 May 2003
  - (d) DoD Instruction 5000.2, Operation of the Defense Acquisition System of 8 December 2008
  - (e) SECNAVINST 5000.2E
  - (f) NAVAIR Contracts Competency Instruction 4200.56A
  - (g) MIL-STD 961E of 2 April 2008
  - (h) NAVAIRINST 4120.9
  - (i) NAVAIRINST 4200.58
  - (j) DoD Memorandum, Department of Defense Source Selection Procedures Waiver Request of 7 October 2011
  - (k) Contract Pricing Reference Guide - Developed jointly by the Federal Acquisition Institute (FAI) and the Air Force Institute of Technology (AFIT)
  - (l) ASN(RD&A) Memorandum, Energy Evaluation Factors in the Acquisition Process of 20 June 2011

Encl: (1) NAVAIR Source Selection Procedures

1. Purpose. This instruction outlines regulatory requirements for conducting competitively negotiated source selections pursuant to reference (a) and articulates a common set of principles and procedures for conducting such acquisitions in accordance with references (b) through (l).

2. Cancellation. This instruction cancels NAVAIRINST 4200.39B. This is a major revision and should be reviewed in its entirety.

3. Scope and Applicability. This instruction applies to all best value negotiated, competitive acquisitions under Federal

Acquisition Regulations (FAR) Part 15 as executed by Naval Air Systems Command (NAVAIR), which includes NAVAIR Headquarters (NAVAIRHQ), Competencies, the Program Executive Officers (PEOs), Program Managers, AIR (PMAs), Subordinate Commands, and field activities. Compliance with law, FAR Part 15, Defense Federal Acquisition Regulation Supplement 215 and the companion resource Procedures, Guidance and Information is required. These procedures are not required for the following acquisitions:

- a. Competitions where the only evaluated factor is price;
- b. Basic research and acquisitions where Broad Agency Announcements are used in accordance with FAR Part 35 to solicit proposals and award contracts;
- c. Small Business Innovative Research and Small Business Technology Transfer acquisitions solicited and awarded in accordance with 15 United States Code, Section 638;
- d. Architect-engineer services solicited and awarded in accordance with FAR Part 36 Construction and Architect-Engineer Contracts;
- e. FAR Part 12 Streamlined Acquisitions;
- f. Acquisitions using simplified acquisition procedures in accordance with FAR Part 13 (including Part 12 acquisitions using Part 13 procedures);
- g. Orders under multiple award contracts - Fair Opportunity (FAR 16.505 (b)(1)); and,
- h. Acquisitions using FAR subpart 8.4.

4. Background. NAVAIRINST 4200.39B established a tailorable single source selection process. Based on lessons learned over the years since NAVAIRINST 4200.39B was issued, NAVAIR continuously improved its process by updating its training and improving its Section L, Section M and Source Selection Plan (SSP) templates. On 1 July 2011, reference (b) became effective with the major difference between those procedures and the NAVAIR process being the rating definitions for the various factors. In response, NAVAIR adjusted its process to enable the use of the mandated rating definitions. This instruction

implements revisions in the NAVAIR process to comply with reference (b) and to incorporate years of lessons learned.

## 5. General Policy

a. Enclosure (1) provides the mandatory Source Selection Procedures that are required for all NAVAIR competitive procurements under this instruction. These procedures may only be waived by Commander, NAVAIR (AIR-00). Enclosure (1) will be reviewed annually by Source Selection Office (AIR-4.10E) in conjunction with the Source Selection Integrated Product Team (IPT) and updates submitted to the Source Selection Policy Board (SSPB) for approval as needed.

b. The same essential functions need to be performed for all competitive source selections regardless of dollar value, technical complexity and/or visibility. These essential functions are to assess how well each proposal meets solicitation requirements, to compare proposals meeting solicitation requirements to one another to determine which represents the best value to the Government, and to select a source and document the selection in a source selection decision document containing a detailed narrative with the rationale for the award determination. The goal is to conduct a fair, consistent and efficient source selection that selects the best possible value, produces an effective contract, and is defensible against any protest. This instruction sets forth a single, scalable, and achievable NAVAIR source selection process to accomplish that goal.

c. Source Selection shall take precedence over other workload assignments per reference (b). Leaders and supervisors shall ensure the source selection process is considered and treated as a priority for all acquisition personnel involved in the source selection process, including the Source Selection Authority (SSA) and members of the Source Selection Advisory Council (SSAC) and Source Selection Evaluation Board (SSEB). Those who cannot abide by the commitment should decline acceptance of that responsibility upon consultation with their supervisor. In general, significant delays in schedule due to an inability to abide by this commitment will be reported to the PEO and AIR-00 for their information. Leaders shall ensure those acquisition personnel acting as members of evaluation teams, evaluation review boards, source selection decision

reviews, etc, are provided adequate time to accomplish their assigned duties. Participants of the source selection process are required to complete all Source Selection training that pertains to the overall process and their roles and responsibilities. Participants shall have a level of experience adequate to successfully complete the source selection process efficiently and effectively.

6. NAVAIR Source Selection Center of Excellence (SSCE). The SSCE leads continuous improvement activities and provides the policies, procedures, tools and expertise as needed to conduct high performing competitive source selections. All NAVAIR process improvement activities associated with the competitive source selection process shall be coordinated through the SSCE. The NAVAIR SSCE consists of the AIR-4.10E, the SSPB, and the Source Selection IPT. Specific points of contact are the Contracts Policy and Process Management Office (AIR-2.1) and AIR-4.10E. The roles and responsibilities associated with the SSCE are as follows:

a. The SSPB develops and issues NAVAIR source selection policy. The SSPB consists of principal members from Assistant Commander for Acquisition (AIR-1.0), Assistant Commander for Contracts (AIR-2.0), Assistant Commander for Research and Engineering (AIR-4.0), Assistant Commander for Logistics and Industrial Operations (AIR-6.0), PEO Air Antisubmarine Warfare (ASW), Assault and Special Mission Programs PEO (A), PEO Tactical Aircraft Programs PEO (T), PEO Unmanned Aviation and Strike Weapons PEO (U&W), PEO Joint Strike Fighter PEO (JSF) and NAVAIR Office of Counsel AIR-11.0, with AIR-1.0 and AIR-2.0 as the Co-Chairs. Other advisory members include Systems Engineering Department (AIR-4.1), Cost Department (AIR-4.2), Warfare Analysis Department (AIR-4.10), Test and Evaluation (T&E) Group (AIR-5.0), NAVAIR Comptroller (AIR-10.0), the Source Selection IPT, and Subordinate Commands Representatives, as required. The concept of operations for the SSPB and the Source Selection IPT are depicted in the February 2009 SSPB Charter.

b. The Source Selection IPT is established as the SSPB working board for developing policies, proposing the SSPB agenda and coordinating actions with the SSPB. The Source Selection IPT consists of standing members from the NAVAIR Acquisition Policy and Processes Department, AIR-2.1, AIR-4.10E, Logistics Management Integration Department, and a AIR-11.0 Senior

Attorney, with AIR-4.10E and AIR-2.1 as the Co-Chairs. PEOs and other competencies provide Source Selection IPT participants as needed to address source selection policies and procedures affecting that competency, e.g., AIR-4.2 for cost evaluation.

c. AIR-4.10E is a dedicated organization, within the Engineering Competency, that is centered on the source selection process and leading the most complex and/or politically sensitive source selections. Specific roles and responsibility for AIR-4.10E are provided in the Competency section paragraph 7c(4).

7. Roles and Responsibilities. The membership of the Source Selection Organization (SSO), as described in paragraph 8, will be established for each acquisition. Also, PEOs, PMAs, and competencies have additional duties outside the SSO. These roles and responsibilities would only be applicable if that PEO, PMA, or competency was involved in the acquisition. These roles and responsibilities are described below.

a. PEO and AIR-1.0 Program Management

(1) PEO and AIR-1.0. The PEOs (PEO (A), PEO (T), PEO (U&W) and PEO (JSF)), and AIR-1.0 are responsible for forecasting competitive procurements and disseminating that information to AIR-2.0 and AIR-4.10E to enable the Command to plan for and provide proper resources.

(2) Program Management. The PMAs are responsible for requirements definition, program funding, acquisition strategy, overall planning and scheduling, program management, team assignments, and contractor performance assessments. The Program Manager (PM) is the procurement official and may be a PMA or an individual who is responsible as a project manager for the procurement action or a requiring activity (referred to in this document as the (PM)). In addition to any duties assumed by way of membership in the SSO, the PM shall:

(a) Ensure the program technical requirements are consistent with the cognizant requirements document, are stable and affordable;

(b) Lead the development of Statements of Work (SOW), Statements of Objectives (SOO) and other program related documents;

(c) Ensure an executable program exists and a realistic program schedule is established; and,

(d) Conduct a Procurement Planning Conference (PPC) for the acquisition to establish the procurement approach, actions required, milestones, resources, and accountability for procurement.

b. AIR-2.0 Contracts. In addition to any duties assumed by way of membership in the SSO, AIR-2.0 shall:

(1) General

(a) Provide support and guidance relating to business and contractual issues;

(b) Assign personnel to serve as the SSA, on the SSAC and on the SSEB as needed. AIR-2.0 personnel will serve as the SSA for Source Selection Classification Levels (SSCLs) B1, B2 and C in accordance with paragraph 8 - SSO and SSCL;

(c) Assign a Procuring Contracting Officer (PCO) and a contract specialist to each competitive procurement; and,

(d) Approve or disapprove the use of non-Governmental personnel, as deemed appropriate, at any stage of the source selection process. This includes any use of non-Government personnel from the identification of requirements stage through contract award (approval is not required for Federally Funded Research and Development Center personnel). Use of non-Government personnel as subject matter advisors to the evaluation team may be authorized, but should be minimized as much as possible (see enclosure (1) paragraph 9d).

(2) AIR-2.1. In addition to any duties outlined in 7b(1), AIR-2.1 shall:

(a) Co-chair the Source Selection IPT;

(b) Issue Source Selection policies, procedures, and guidance to PCOs that facilitate implementation of the NAVAIR source selection process, while maintaining coordination with AIR-4.10E to maximize process commonality across all source selections where appropriate;

(c) Maintain source selection metrics and lessons learned, incorporating process improvements as they become evident, while maintaining coordination with AIR-4.10E to obtain a total understanding of NAVAIR source selection and applying lessons learned across all competitive source selections where appropriate; and,

(d) Maintain templates on the AIR-2.0 website to support competitive source selections, while maintaining coordination with AIR-4.10E to maximize template commonality across all source selections where appropriate.

c. AIR-4.0 Research and Engineering. In addition to any duties assumed by way of membership in the SSO, AIR-4.0 shall:

(1) General

(a) Participate in development of SOW and/or SOO documents, planning estimates, appropriate portions of the proposal instructions and evaluation criteria, other technical documentation, and any requirement-related documents to ensure they reflect the approved sponsor's requirements documents or program related requirements;

(b) Provide technical expertise and products for the acquisition of complex systems and services;

(c) Develop the technical specifications and requirements documents related to the acquisition, with consideration given to the evaluation;

(d) Provide technical support to the SSO to include team leads, evaluators, and advisors for the evaluation and associated evaluation methodologies (e.g., cost models, aero performance models, etc.);

(e) Develop cognizant evaluation methodologies and procedures in coordination with AIR-4.10E and support AIR-4.10E

in the development of subject matter evaluation training and documentation; and,

(f) Support any post-source selection activities, such as debriefings, as required.

(2) AIR-4.1. In addition to any duties outlined in paragraph 7c(1), AIR-4.1, shall:

(a) Ensure assignment of a qualified AIR-4.1 or AIR-4.X.1 Chief Engineer or Lead Systems Engineer to lead all the technical activities in solicitation preparation and lead the technical evaluation, as appropriate;

(b) Lead development of the Systems Engineering Plan for inclusion in the Request For Proposal;

(c) Establish and implement the Systems Engineering Technical Review process and conduct an Initial Technical Review, Alternative Systems Review, and Systems Requirements Review (SRR) to support System Design Specification development and development of the RFP;

(d) Be responsible for engineering AIR-4.0 staffing, scheduling, and technical work schedule in support of the RFP and source selection; and,

(e) Co-Chair Estimating and Technical Assurance Board process to establish technical baseline for AIR-4.2 cost activities.

(3) AIR-4.2. In addition to any duties outlined in paragraph 7c(1), AIR-4.2, shall:

(a) Lead the development of NAVAIR's independent cost estimates, to be established prior to release of the RFP and used to aid in the evaluation;

(b) Provide a Team Leader for competitive source selections for SSCL A and B1 competitions, as a minimum;

(c) Prepare for cost evaluation by developing work plans, planning estimates and establishing documentation procedures; and,

(d) Perform cost and schedule proposal evaluations and document the analysis.

(4) AIR-4.10E. AIR-4.10E provides tools, procedures and training in support of competitive source selection processes and procedures. While administratively in AIR-4.10, the Source Selection Office Director shall report directly to AIR-4.0, Deputy Assistant Commander for Research and Engineering (AIR-4.0A) regarding the source selection process and source selection competency resource issues. In providing source selection support, AIR-4.10E shall:

(a) Work directly with all SSPB members to coordinate policy and process improvements;

(b) Oversee the Engineering and Technical analysis methodologies and their development to ensure efficient and effective evaluations are conducted;

(c) Participate in early acquisition planning and source selection planning;

(d) Co-chair the Source Selection IPT;

(e) Support SSOs as required by the designated SSCL or by request, (see paragraph 8);

(f) Provide advice and training for all source selections, as requested, depending on office resource availability;

(g) Lead the development of the source selection process and evaluation training;

(h) On a regular basis, provide AIR-00 with status of AIR-4.10E led competitive source selections and process improvement activities at joint sessions with AIR-1.0, AIR-2.0, AIR-4.0 and/or AIR-4.0A, AIR-11.0, Vice Commander, and Deputy Commander (as scheduled by the Executive Assistant);

(i) Keep abreast of emerging competitive source selection policies and/or procedures and evaluation methods and technologies; accomplished in part by maintaining liaison with counterparts in other services and/or agencies to improve

Department of Defense (DoD) commonality and to leverage best practices, and by maintaining liaison with industry business development and/or proposal development personnel through professional groups to maintain awareness of industry perspectives and to improve Government-Industry process touch points;

(j) Maintain source selection metrics and lessons learned from AIR-4.10E lead evaluations, incorporating process improvements as they become evident, while maintaining coordination with AIR-2.1 to obtain a total understanding of NAVAIR source selection and applying lessons learned across all competitive source selections where appropriate;

(k) Act as the process owner for the Past Performance and Corporate Experience evaluations; and,

(l) Establish, update and maintain configuration control of templates to support competitive source selections, while maintaining coordination with AIR-2.1 to maximize template commonality across all source selections where appropriate.

d. AIR-5.0 T&E. In addition to any duties assumed by way of membership in the SSO, AIR-5.0 shall:

(1) Participate in development of SOW and/or SOO documents, appropriate portions of the proposal instructions and evaluation criteria, and other T&E documentation;

(2) Provide expertise and products for the acquisition of complex systems;

(3) Develop the T&E requirements documents related to the acquisition, with consideration given to the evaluation;

(4) Provide support to the SSO to include team leads, evaluators, and advisors for the evaluation and associated evaluation methodologies;

(5) Develop cognizant evaluation methodologies and procedures in coordination with AIR-4.10E and support AIR-4.10E in the development of subject matter evaluation training and documentation; and,

(6) Support any post-source selection activities, such as debriefings, as required.

e. AIR-6.0 Logistics and Industrial Operations. In addition to any duties assumed by way of membership in the SSO, AIR-6.0 shall:

(1) Participate in development of SOW and/or SOO documents, appropriate portions of the proposal instructions and evaluation criteria, and other logistics and industrial documentation;

(2) Provide expertise and products for the acquisition of complex systems;

(3) Develop the logistics and industrial requirements documents related to the acquisition, with consideration given to the evaluation;

(4) Provide support to the SSO to include team leads, evaluators, and advisors for the evaluation and associated evaluation methodologies (e.g., manning analysis, etc.);

(5) Develop cognizant evaluation methodologies and procedures in coordination with AIR-4.10E and support AIR-4.10E in the development of subject matter evaluation training and documentation; and,

(6) Support any post-source selection activities, such as debriefings, as required.

f. AIR-10.0 Comptroller. In addition to any duties assumed by way of membership in the SSO, AIR-10.0 shall:

(1) Maintain the integrity of financial operations and accounts under the Chief Financial Officers' Act; and,

(2) Provide financial advice, training, and services as requested.

g. AIR-11.0 Legal. In addition to any duties assumed by way of membership in the SSO, AIR 11.0 shall:

(1) Provide legal advice and services regarding form and legality of all solicitation and evaluation documents and contracts;

(2) Conduct legal review of solicitations; for acquisitions over 50 million dollars, a Legal Review Board will be held;

(3) Provide Procurement Integrity Act training to all participants of the Source Selection Process;

(4) Provide legal advice and services regarding all ethical issues, such as conflicts of interest;

(5) Review all financial disclosure documents (i.e., Certificate of Non-Disclosure Agreement and Financial Interest) and provide a memo for the contract file stating no conflicts exist or if a conflict(s) does exist, document steps taken to resolve the conflict(s);

(6) Review Determination and Findings requests to use non-Government personnel support;

(7) Support post-award activities; and,

(8) Lead protest resolution activities.

h. NAVAIR Office of Small Business Programs(OSBP). In addition to any duties assumed by way of membership in the SSO, NAVAIR OSBP shall:

(1) Provide insight into small business policies to enable the Source Selection IPT to ensure the source selection process addresses those policies in the most effective way;

(2) Provide small business resources (either through training or as an evaluator) to assess the proposed small business utilization strategy and small business subcontracting plan, as well as past performance associated with small business; and

(3) Provide advice to the SSEB and SSAC as necessary.

8. SSO and SSCL. The SSO that is established for a particular acquisition may vary considerably in depth and structure. The primary factors that impact the breadth of an SSO are the complexity of the requirement and the dollar value of the acquisition. As a general rule, for larger and more complex acquisitions, a senior official (Flag or Senior Executive Service (SES) level) will be designated as the SSA. The levels of the SSAC and the SSEB also reflect the Acquisition Category (ACAT), size and/or complexity of the acquisition. Table 1 depicts three SSCLs (with one having two subparts), with the primary differences being the seniority of the SSA and SSAC. Each SSCL has an associated SSO of descending size and complexity with SSCL A having the largest associated team and SSCL C having the smallest. Consistent with DoD policy on acquisition streamlining as established in references (c), (d) and (e), delegation of SSA responsibility, when permitted, is strongly encouraged.

Table 1 Source Selection Classification Level

Level	Type Procurement	SSA	SSAC Chair	SSAC Members	SSEB Chair
A	ACAT I, ACAT IA, ACAT II, procurements of \$1B or more, or other complex or politically sensitive procurements, as determined by AIR-00, PEO, Level 1 Competency Lead for their Programs	AIR-00, PEO, or higher if requested (i.e. ASN RDA); AIR-1.0 or other Level 1 Competency Lead for Non-PEO programs	AIR-1.0 or 2.0	Level 1 or 2	AIR-4.10E
B 1	Procurements of \$250M - \$1B, and others designated by AIR-2.0	Level 1 or Level 2 from AIR-2.0	AIR-1.0 or as delegated (e.g. SES NAWC Executive Directors)	Level 1 or Level 2 personnel, or other as approved by SSA	AIR-4.10E
B 2	Procurements of \$100M - \$250M, and others designated by AIR-2.0	Level 2 from AIR-2.0, or delegatee	Designated by AIR-1.0 and AIR-2.0; May be at the level of GS-15/06 or equivalent, and be from any non-AIR-2.0 competency	Level 2 or Level 3 as approved by SSA	AIR-4.10E resources permitting or other personnel (technical or PCO) with appropriate experience
C	Procurements less than \$100M	AIR-2.0 competency in accordance with BCM thresholds	Not Required	Not Required	Designated by the SSA*

\* Should be someone with knowledge and experience in the source selection process, typically someone from the program IPT or the competency originating the requirement.

a. SSCL A

(1) The SSCL A level uses an SSAC in its SSO and shall have an SSA who is not a contracting officer as provided by FAR 15.303. This level typically applies to ACAT I, IA and II acquisitions, procurements of one billion dollars or more, and is also appropriate, in limited case-by-case instances, for acquisitions whose complexity and/or visibility are of sufficient magnitude to warrant designating an SSA other than a contracting officer. This is determined by AIR-00, the PEO, AIR-1.0, or the Level 1 Competency Lead (e.g., AIR-4.0, AIR-5.0 and AIR-6.0) for their respective programs.

(2) Per reference (e), AIR-00, PEOs, and Direct Reporting Program Managers are the SSA for their respective ACAT I, ACAT IA and ACAT II programs unless otherwise specified by the Under Secretary of Defense for Acquisition, Technology, and Logistics, Assistant Secretary of Defense for Networks and Information Integration for ACAT IA programs, Secretary of the Navy or Assistant Secretary of the Navy Research Development Acquisition. The SSA for ACAT I programs may not be further delegated; however, ACAT IA and ACAT II may be delegated to a Flag or SES level person. For NAVAIR programs, AIR-00 has delegated all assigned non-ACAT I programs to AIR-1.0 for programs aligned to AIR-1.0 and to Competency Leads for any NAVAIR programs aligned to another competency, unless otherwise specified. For other non-ACAT I, IA, or II competitively negotiated acquisitions, the SSA shall be the PEO for PEO assigned programs or the Level 1 Competency Lead for programs under their competencies.

(3) The SSAC Chair shall be AIR-1.0 or AIR-2.0 and may not be further delegated. The SSAC Chair will obtain members, Legal Counsel, and Comptroller advisors from the Level 1 Competency Leads. In addition, the SSAC Chair may request the User and/or Sponsor provide an advisor to the SSAC. Typically, SSAC members will be SES or Flag personnel at Level 1, but may be Level 2. The SSAC Chair shall not be in the direct line of supervision with the SSA or SSEB Chair.

(4) The SSEB Chair shall be a General Schedule (GS)-15 or equivalent from AIR-4.10E, and will be assigned by the Source Selection Office Director. The SSEB Chair, as supported by the Program Office, will typically obtain its SSEB members from the Program IPT. However, in cases where personnel are not available with the desired Knowledge, Skills, and Abilities

(KSAs), the SSEB Chair will seek an appropriate selection from the appropriate Level 1 Competency Lead or Deputy.

b. SSCL B1

(1) The SSCL B1 level is for procurements of 250 Million Dollars to under one Billion Dollars or those of lower value when raised to this level by AIR-2.0. This level uses an SSAC in its SSO and shall have an SSA who is a contracting officer per FAR 15.303. This level applies to procurements requiring Outside Peer Review (Assistant Secretary of the Navy (ASN)) or is otherwise complex and/or politically sensitive.

(2) The SSA shall be a Level 1 or 2 from the Contracts Competency as designated by AIR-2.0.

(3) The SSAC Chair is AIR-1.0, who may further delegate to Flag or SES personnel from any non-AIR-2.0 competency. However, the SSAC Chair shall not be in the direct line of supervision with the SSA or the SSEB Chair. The SSAC Chair will obtain its members, Legal Counsel, and Comptroller advisors from the Level 1 Competency Leads. In addition, the SSAC Chair may request the User and/or Sponsor provide an advisor to the SSAC. The SSAC members will typically be SES or Flag personnel at Level 1 or Level 2. However, other representatives may be considered as appropriate.

(4) The SSEB Chair shall be a GS-15 from AIR-4.10E, as assigned by the Source Selection Office Director. The SSEB Chair, as supported by the Program Office, will typically obtain its SSEB members from the Program IPT. However, in cases where personnel are not available with the desired KSAs, the SSEB Chair will seek an appropriate selection from the Level 1 Competency Lead or Deputy.

c. SSCL B2

(1) The SSCL B2 level is for procurements of 100 Million Dollars to less than 250 Million Dollars or those of lower value when raised to this level by AIR-2.0. This level uses an SSAC in its SSO and shall have an SSA who is a contracting officer per FAR 15.303.

(2) The SSA shall be an AIR-2.0 Department Head or delegatee.

(3) The SSAC Chair is designated by AIR-1.0 and AIR-2.0 and may be at the GS-15 and/or O-6 level or equivalent, and be from any non-AIR-2.0 competency. However, the SSAC Chair shall not be in the direct line of supervision with the SSA or the SSEB Chair. The SSAC Chair will obtain its members from the Level 1 Competency Leads. In addition, the SSAC Chair may request the User and/or Sponsor provide an advisor to the SSAC. The SSAC members will typically be Level 2 or Level 3 and be GS-15 and/or O-6 or equivalent.

(4) The SSEB Chair shall be a GS-15 or GS-14, or equivalent. The SSEB Chair should be from AIR-4.10E, resources permitting. If AIR-4.10E cannot support the procurement, the SSA will designate a suitable SSEB Chair, but the SSEB Chair shall not be in the direct line of the SSAC Chair's supervision. The SSEB Chair, as supported by the Program Office, will typically obtain its SSEB members from the Program IPT. However, in cases where personnel are not available with the desired KSAs, the SSEB Chair will seek an appropriate selection from the Level 1 Competency Lead or Deputy.

d. SSCL C

(1) The SSCL C level is for procurements less than 100 Million Dollars. This level does not use an SSAC and has an SSA from the Contracts Competency.

(2) The SSA is a contracting officer whose business clearance authority and warrant authority are at a level that encompasses the dollar value of the acquisition. The SSA shall always request a recommendation from the SSEB Chair at this level (i.e. recommendation for award, competitive range, closing discussions, etc.).

(3) The SSEB Chair, typically a GS-14 or equivalent, is designated by the SSA, but the SSEB Chair shall not be in the direct line of supervision to the SSA. The SSEB Chair, as supported by the Program Office, will typically obtain its SSEB members from the Program Office IPT. However, in cases where personnel are not available with the desired KSAs, the SSEB

Chair will seek an appropriate selection from the Level 1 Competency Lead.

e. Criteria for raising the SSCL

(1) AIR-00, the cognizant PEO, AIR-1.0, or the Level 1 Competency Lead (AIR-4.0, AIR-5.0 and AIR-6.0) for their respective programs may raise the SSCL to a Level A.

(2) The SSA, AIR-2.0, or an AIR-2.0 Department Head may raise the SSCL up to B1 or B2.

(3) The purpose of raising the SSCL is to provide the appropriate source selection structure and leadership necessary to meet the special challenges of conducting a fair and consistent source selection that will provide the Warfighter with the best value solution.

(4) The dollar value is the primary criteria for defining the SSCL for a procurement; however, sometimes a procurement has complexity, political sensitivity, or other challenges not reflected by the lower dollar amount. In those cases, the SSCL may be raised.

(5) Political sensitivity reflects special interest by Congress, Office of the Under Secretary of Defense or ASN, or has potential high level NAVAIR attention due to the history of the procurement.

(6) A procurement may be deemed complex and require additional oversight due to the acquisition strategy, contract strategy, and/or the technical nature of the procurement.

(7) Another consideration in raising the SSCL is to provide additional oversight and leadership due to a team that lacks the availability and appropriate experience of personnel needed to staff the SSEB and evaluation team.

9. Review. This instruction will be reviewed by AIR-2.1 and AIR-4.10E annually and provide recommendations for revisions to the Commander.



D. ARCHITZEL

Distribution:

Electronic only via the following Web sites:

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<https://mynavair.navair.navy.mil/portal/server.pt>

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**Naval Air Systems Command**  
**Source Selection Procedures**

**Table of Contents**

<u>SECTION</u>	<u>PAGE</u>
1. General	3
2. Source Selection Classification Levels	3
3. Source Selection Organization Roles and Responsibilities	3
4. Knowledge Skills and Abilities (KSAs)	17
5. Peer Reviews	18
6. Source Selection Process	23
7. Evaluation Methodology, Ratings and Definitions	32
8. Documentation	47
9. Administrative Procedures	48

1. General. The following Naval Air Systems Command (NAVAIR) Source Selection Procedures are mandatory for all competitive procurements covered by NAVAIRINST 4200.39C. This procedure provides the steps necessary to perform source selections in accordance with references (a) and (b), and this instruction.

2. Source Selection Classification Levels (SSCLs). NAVAIR employs a tailorable single source selection process using SSCL in accordance with NAVAIRINST 4200.39C. In general, SSCL A uses a Source Selection Authority (SSA) who is outside of the Contracts competency (e.g. the Program Executive Officers (PEO)) and a Source Selection Advisory Council (SSAC). SSCL B1 and B2 also uses an SSA and an SSAC, however the SSA is a person within the Contracts competency. The SSA and the SSAC personnel for SSCL B1 are typically at a higher level within the NAVAIR organization than for SSCL B2. SSCL C does not use an SSAC and the SSA is from within the Contracts competency.

3. Source Selection Organization Roles and Responsibilities. The SSA, SSAC, and Source Selection Evaluation Board (SSEB) shall maintain their independence from each other throughout the evaluation process to provide the checks and balances that ensures the integrity of the process. As such, the SSAC Chair shall not be in the direct line of supervision of the SSA or SSEB Chair. It is preferable that the SSA, SSAC Chair, and the SSEB Chair be from different competencies. In the case of a SSCL C procurement, the SSA shall not be in the direct line of supervision as the SSEB Chair, and preferably not from the same competency. The respective roles and responsibilities of the Source Selection Organization are as follows:

a. SSA. The general responsibilities of the SSA are defined in reference (b). The SSA is a single individual whose primary function is to make the source selection decision. The SSA signs the Source Selection Decision Document (SSDD) that reflects the SSA's comparative analysis based on the SSEB's Evaluation Report and the SSAC's or, for SSCL C, the SSEB Chair's Proposal Analysis Report (PAR). In addition, the SSA shall:

(1) Be responsible for the proper and efficient conduct of the source selection process;

**DEC 16 2013**

(2) Appoint the chairperson(s) for the SSEB and, when used, the SSAC;

(3) Ensure that personnel appointed to the source selection are knowledgeable of policy and procedures for properly and efficiently conducting the source selection. Ensure the SSO members have the requisite acquisition experience, skills, and training necessary to execute the source selection, and ensure the highest level of team membership consistency for the duration of the selection process;

(4) For major weapon systems or major service acquisitions, ensure no senior leader is assigned to or performs multiple leadership roles in the source selection in accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 203.170(a);

(5) Ensure that realistic source selection schedules are established and source selection events are conducted efficiently and effectively in meeting overall program schedules;

(6) Ensure all involved in the source selection are briefed and knowledgeable of Subsection 27 of the Office of Federal Procurement Policy Act, 41 United States Code, Section 423, and Federal Acquisition Regulation (FAR) 3.104 regarding unauthorized disclosure of contractor bid and proposal information, as well as source selection information;

(7) Ensure that all persons receiving source selection information are instructed to comply with applicable standards of conduct (including procedures to prevent the improper disclosure of information) and sign a Non-Disclosure Agreement (NDA) which includes a conflict of interest statement;

(8) Ensure Conflict of Interest Statements (from Government members and/or advisors and non-Government team advisors) are appropriately reviewed and actual or potential conflict of interest issues are resolved prior to granting access to any source selection information. (See Code of Federal Regulations (CFR) 2635);

(9) Approve the Source Selection Plan (SSP) before final solicitation release;

(10) Approve the final solicitation prior to release to industry;

(11) Ensure that proposals are evaluated based solely on the factors and subfactors contained in the solicitation;

(12) Make a determination to award without discussions or enter into discussions;

(13) Concur with proposals to be included in the competitive range;

(14) Select the source in accordance with evaluation criteria established in Section M of the Request for Proposal (RFP);

(15) Consider recommendations from within the Source Selection Organization (SSO);

(16) Document the source selection rationale in the SSDD; and,

(17) For Acquisition Category (ACAT) I and II programs only, inform Assistant Secretary of the Navy Research Development Acquisition (ASN (RD&A)) on results of the selection, as appropriate.

b. SSAC. The primary role of the SSAC is to provide a written comparative analysis and recommendation to the SSA. When an SSAC is established, it shall provide oversight to the SSEB. The SSA may convene the SSAC at any stage in the evaluation process as needed. The SSAC shall:

(1) Provide guidance and instructions to the SSEB;

(2) Ensure operational requirements are adequately addressed by ensuring performance, availability, support and other requirements are incorporated into the solicitation package;

(3) Review draft RFPs which contain Section L and M and provide consultation to the SSAC Chair for release to industry;

**DEC 16 2013**

(4) Review and recommend approval of the SSP to the SSA. In that regard, the SSAC shall review and recommend to the SSA the evaluation criteria to be established and the relative order of importance of factors;

(5) Ensure consistent source selection procedures are established and followed which includes a review of the SSEB evaluation results to ensure the evaluation process follows the evaluation criteria and the ratings are appropriately and consistently applied;

(6) Recommend to the SSA and the Procuring Contracting Officer (PCO) the proposals to be included in the competitive range;

(7) Conduct a comparative analysis of the merits of each proposal in the competitive range;

(8) Prepare a proposal analysis report reflecting the SSAC's comparative analysis based on the SSEB's evaluation report and make a source selection recommendation to the SSA, with supporting rationale and ensure that minority opinions within the SSAC are included within the PAR; and,

(9) In addition to any duties assumed by way of membership in the SSAC, the following are additional roles and responsibilities of the SSAC Chair, SSAC Vice Chair, SSAC Legal Counsel, SSAC Advisors, and SSAC Executive Assistant:

(a) SSAC Chair. The SSAC Chair only applies to SSCL A and B. The SSAC Chair shall:

1. Appoint SSAC members, subject to SSA approval;
2. Act as the SSAC's representative to the SSA;
3. Lead the SSAC meetings;
4. Provide guidance to the SSEB Chair;

5. Concur (in consultation with SSAC members) with release of draft Section L and M;

6. Provide the SSA with a PAR that consolidates the advice and recommendations from the SSAC into a written comparative analysis (including minority reports) and recommendation;

7. Concur with establishing competitive range and provide recommendation of Offeror's within competitive range;

8. Resolve source selection issues; and,

9. Approve SSAC meeting minutes, decision records, etc.

(b) SSAC Vice Chair (if applicable). The Vice Chair (or the Chair's designee when a Vice Chair is not appointed) assumes the duties of the SSAC Chair, when directed by the SSAC Chair.

(c) SSAC Legal Counsel. Senior legal counsel shall support the SSAC.

(d) SSAC Advisors. Advisors to the SSAC will serve to provide background, expertise, and guidance regarding general program objectives, plans, and issues.

(e) SSAC Executive Assistant. When used, the SSAC Executive Assistant will be provided by the Program Manager (PM). The SSAC Executive Assistant, in coordination with the SSEB Chair, will perform all administrative and liaison functions for the SSAC. The SSAC Executive Assistant shall:

1. Obtain signed NDA, described in paragraph 15a(4), from SSAC members, and forward the NDA to the SSEB Security Officer;

2. Coordinate and issue notices of meetings and briefings to all SSAC members, legal counsel, and advisors, giving time, location, and agenda;

SEP 18 2012

3. Coordinate arrangements for SSAC meetings including location, access clearances, operation of electronic media, video teleconference, and administrative support;

4. Provide the solicitation and related documentation to the SSAC;

5. Provide a recorder to record minutes of SSAC meetings including attendees, as well as other clerical support, as requested by the SSAC Chair;

6. Prepare and coordinate minutes;

7. As directed by the SSEB Chair, perform liaison services between SSAC and SSA, SSEB, PEOs, and other Government agencies;

8. Obtain SSAC members' signatures on all reports; and,

9. Keep the SSEB Chair apprised of all activities.

c. SSEB. The SSEB is responsible for the evaluation of the proposals submitted in response to the solicitation. The SSEB shall:

(1) Support the program office and Procuring Contracting Officer (PCO) in conducting acquisition planning to facilitate the source selection process including interpreting the operational requirements and developing the Performance Work Statement (PWS) and/or Statements of Work (SOW) and/or Statements of Objectives (SOO);

(2) Participate in the development of the solicitation and the SSP;

(3) Participate in any pre-solicitation and/or proposal conferences in coordination with the PCO;

(4) Brief the contents of the solicitation and SSP to the SSAC and SSA, as applicable;

DEC 16 2013

(5) Provide source selection evaluation training to the evaluation teams;

(6) Prepare an SSEB report for signature by all members of the SSEB;

(7) Prepare a minority report, if significant disagreement exists among members of the SSEB, for signature by the dissenting members and ensure that it is attached to the SSEB report;

(8) Support SSAC and/or SSA consideration of the evaluation reports by making presentations as requested;

(9) Perform comparative analysis of proposals or make source selection recommendations only when requested by the SSAC or SSA;

(10) Support the PCO in conducting offeror debriefings;

(11) Support NAVAIR Office of Counsel (AIR-11.0) in defense of a protest; and,

(12) In addition to any duties assumed by way of membership in the SSEB, the following are additional roles and responsibilities of the PCO, SSEB Chair, SSEB Assistant Chair, SSEB Legal Counsel, Evaluation Team Leaders, Evaluation Team Members, SSEB Advisors and Security Officer:

(a) SSEB Chair. The SSEB Chair acts as the governing official for all evaluation issues and scheduling, and provides leadership over SSEB members and advisors. The SSEB Chair shall:

1. Ensure members of the SSEB and evaluation team are trained on how an evaluation is conducted prior to reviewing any proposals;

2. Direct the preparation of the SSP, and Evaluation Plan, if applicable;

3. Ensure that the evaluation is conducted in accordance with the evaluation criteria, SSP, and evaluation

**DEC 16 2013**

plan (use of evaluation plan is optional in the process), and that the evaluation is being conducted in a fair and consistent manner;

4. Assess progress of the evaluation and notify the SSAC and/or SSA of issues that may arise, particularly when the evaluation schedule may be affected;

5. Resolve issues arising during the evaluation;

6. Support the preparation of the SSDD, the PAR, and other source selection documentation as requested by the SSAC or SSA;

7. Maintain SSEB files containing correspondence and administrative documents;

8. Provide source selection recommendations, including a comparative analysis of proposals, in a PAR, and provide the report to the SSA for SSCL C procurements;

9. Provide responsibility for the overall management of the SSEB and act as the SSEB's interface to the SSAC (if utilized) and the SSA;

10. Establish functional evaluation teams, as appropriate, to support an efficient source selection evaluation. Appoint Team Leaders and members to the functional evaluation teams, subject to approval of the SSA;

11. Ensure the skills of the personnel, the available resources, and time assigned is commensurate with the complexity of the acquisition;

12. Participate with all Peer Reviews and coordinate all preparation efforts with the PCO;

13. Review and approve all Evaluation Notices and topics for discussions;

14. Conduct efficient and effective discussions in coordination with the PCO;

15. Provide consolidated evaluation results to the SSA and/or the SSAC;

16. Support any post source selection activities such as debriefings and post-award reviews and/or meetings, as required; and

17. Support AIR-11.0 in defense of any protest.

(b) SSEB Assistant Chair (if applicable). The SSEB Assistant Chair will be responsible to the SSEB Chair for coordination of the evaluation process and will perform as the SSEB Chair when so directed. The SSEB Assistant Chair shall:

1. Conduct training for the SSEB regarding the source selection process when directed by the SSEB Chair;

2. Assist the SSEB Chair in assessing the progress of the evaluation and notify the SSEB Chair of any problem areas;

3. Assist the SSEB Chair in reviewing, coordinating, and reconciling comments and recommendations prepared by the evaluation teams; and,

4. Assist the SSEB Chair in maintaining SSEB files containing correspondence and administrative documents.

(c) SSEB Legal Counsel. The SSEB Legal Counsel shall give legal advice on the acquisition and solicitation documentation, source selection process and evaluation, and standards of conduct, and review any NDAs. In addition, the SSEB Legal Counsel shall provide Procurement Integrity Training to all evaluators prior to the start of proposal evaluation.

(d) PCO. The PCO shall serve as the primary business advisor and principal guidance source for the entire Source Selection. In addition to any duties assumed by way of membership in the SSO, the PCO shall:

1. Participate in acquisition planning;

2. Prepare, issue, and be cognizant of the solicitation and assist in development of SSP;

3. Designate a security officer;
4. Ensure that procedures exist to safeguard source selection information and contractor bid or proposal information in accordance with FAR 3.104 and DFARS 203.104. Ensure that all documentation is properly marked with the appropriate distribution statement. Approve access to or release of source selection information and contractor bid or proposal information after consulting Legal Counsel before and after contract award;
5. Ensure that required approvals are obtained and the appropriate notification clause is included in the solicitation before non-Government personnel are allowed to provide source selection support (e.g. FAR 7.503 and 37.205);
6. Manage all business aspects of the acquisition and advise and assist the SSA in the execution of its responsibilities, and work with the SSEB Chair, (and SSAC Chair as applicable) to ensure the evaluation is conducted in accordance with the evaluation criteria specified in the solicitation;
7. Serve as the single point of contact for all solicitation-related inquiries from actual or prospective offerors;
8. Conduct any pre-solicitation and/or proposal conferences in coordination with the SSEB Chair;
9. Coordinate and participate in all Peer Reviews in conjunction with the SSEB Chair;
10. Release Draft solicitation documents when deemed appropriate, although draft Sections L and M may be released only after legal review and SSAC Chair (or SSA for SSCL C) concurrence;
11. Release the final solicitation only after obtaining all required approvals including the SSA approval of the SSP;
12. Support the SSEB Chair in training the evaluation teams;

13. Maintain as a minimum, the documents and source selection evaluation records in the official contract file;

14. Conduct the initial proposal inventory and conduct periodic checks throughout evaluation;

15. Control exchanges with offerors in accordance with FAR 15.306 after receipt of proposals to include maintaining tracking logs and records of all exchanges (e.g., evaluation notices and associated emails);

16. Prepare and release correspondence outside the Government, in coordination with the SSEB Chair, that is necessary to conduct the source selection;

17. Establish the competitive range with the SSA concurrence;

18. Lead discussions in conjunction with the SSEB Chair;

19. Prepare the necessary business clearance(s), determine contractor responsibility, determine that the price is fair and reasonable, and award the resulting contract(s); and,

20. Conduct offeror debriefings in accordance with FAR 15.505 Pre-Award Debriefing, and FAR 15.506 Post-Award Debriefing, of offerors.

(e) Evaluation Team Leaders. The Evaluation Team Leaders shall:

1. Prepare individual team evaluation plans (as applicable) and evaluation documentation (e.g., evaluation worksheets, evaluation notices and summary sheets) for use by the evaluation team to ensure timely completion of a thorough evaluation;

2. Provide training to the evaluation team members regarding the source selection process as necessary. Source Selection Overview and Basic Evaluator training will be provided when an evaluator is added to the team, however, the

specific team training for each factor will occur just prior to start of the initial evaluation;

3. Obtain a signed NDA from each team member prior to commencing the evaluation and forward it to the Security Officer;

4. Ensure that the evaluation is conducted by the team in accordance with the SSP, the Evaluation Plan (as applicable), and the Evaluation Criteria;

5. Ensure that the evaluation schedule is met;

6. Resolve issues arising during the evaluation;

7. Prepare findings of the initial and final evaluations and document them in individual team evaluation reports and/or a consolidated SSEB evaluation report as requested by the SSEB Chair; and

8. Support any post-source-selection activities, such as debriefings, post-award reviews and/or meetings, and protests as required.

(f) Evaluation Team Members. Evaluation Team Members shall:

1. Review and be intimately familiar with the requirements set forth in the final solicitation, the approved SSP, and, if applicable, the SSEB Evaluation Plan and appropriate team appendix of the SSEB Evaluation Plan;

2. Conduct a comprehensive review and evaluation of proposals against the solicitation requirements and the evaluation criteria;

3. Ensure the evaluation is based solely on the evaluation criteria outlined in the solicitation;

4. Document the evaluation findings (e.g. evaluation worksheets, evaluation notices, etc.);

5. Assist the SSEB Chair in documenting the SSEB evaluation results (e.g. SSEB Report and Brief); and,

6. Support any post-source-selection activities, such as debriefings, post-award reviews and/or meetings, and protests, as required.

(g) SSEB Advisors. If requested by the SSEB Chair, SSEB Advisors will serve to provide background, expertise and guidance regarding general program objectives, plans and issues, and they may support the SSEB Chair in formulating the source selection recommendation(s).

(h) Security Officer. The SSEB Security Officer shall:

1. Collect and maintain a log of NDAs and provide to the Legal Advisor;

2. Ensure that there are security provisions in effect at all times in areas where proposals are being reviewed, discussed and evaluated;

3. Implement procedures that will ensure the integrity of the source selection process in conjunction with the PCO, Team Leaders and the SSEB Chair; and,

4. Assist the PCO in conducting the initial proposal inventory and conduct periodic checks throughout evaluation.

d. PM. In addition to any duties assumed by way of membership in the SSO, the PM shall:

(1) Assist in the development of the evaluation criteria consistent with the technical requirements and/or risk;

(2) Help establish source selection organizations by providing technical support, SSAC Executive Assistant, team leads, and evaluators;

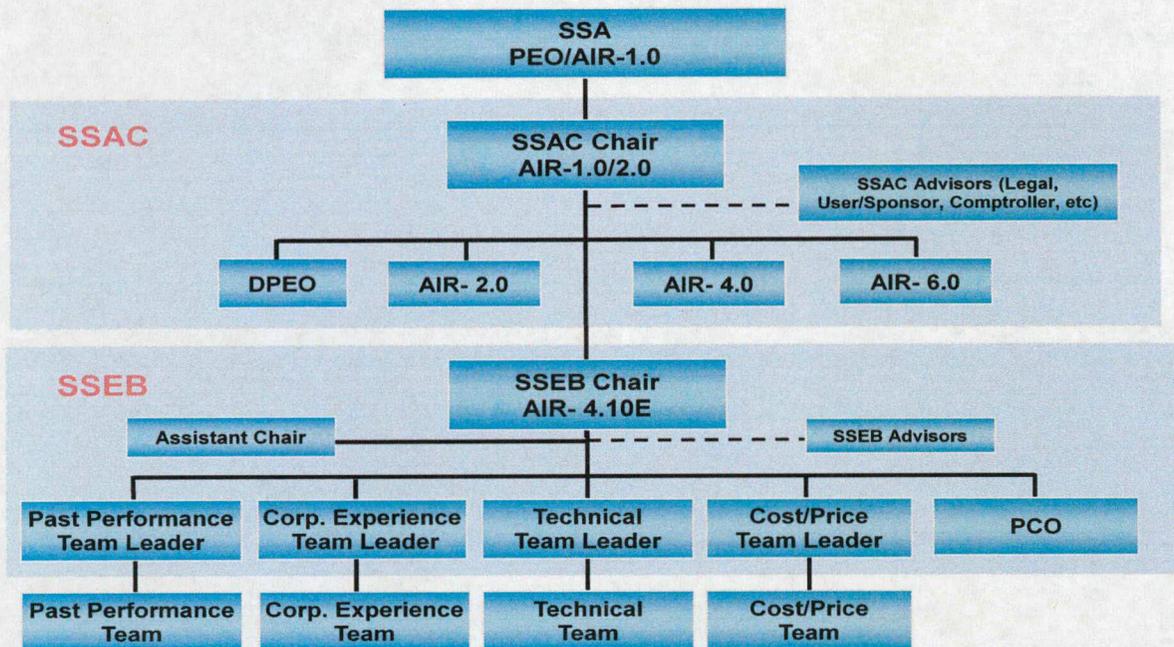
(3) Allocate the necessary resources (including funding, facilities, and personnel) to support the source selection process;

(4) Serve as a member or advisor to the SSAC and SSEB, if requested; and,

(5) Support any post source selection activities, such as debriefings or post-award reviews and/or meetings, as required.

e. SSO Organization Chart. The SSCL A SSO is depicted in the organization chart that follows; however, the SSO may be tailored to meet the needs of the source selection. The major difference in a typical SSCL B SSO is that the SSA comes from within the Assistant Commander for Contracts (AIR-2.0) competency. The chain of command within the SSO is distinct and different than the competency chain of command. Personnel assigned to a source selection shall operate within the SSO chain of command in order to maintain the integrity of the source selection. For an SSCL C, the SSAC is not applicable and therefore the SSEB Chair reports directly to the SSA, which also comes from within the AIR-2.0 competency.

SSO Organization Chart



4. Knowledge Skills and Abilities (KSAs). The SSA, SSAC Chair, SSAC members, SSEB Chair and SSEB members shall, as a minimum, be trained in their area of responsibility and should have experience in the source selection process. Below are the desired KSAs.

a. SSA Shall:

- (1) Have broad experience of similar acquisitions;
- (2) Have participated on a prior source selection as the SSA, part of the SSAC or SSEB, or as an evaluator;
- (3) Completed all applicable Source Selection Training;
- (4) Defense Acquisition Workforce Improvement Act (DAWIA) Level III certified in particular field of expertise;  
and,
- (5) Have familiarity with references (a) and (b), and this instruction.

b. SSAC (Chair, members, and advisors) shall:

- (1) Have broad experience of similar acquisitions;
- (2) Have broad perspective of acquisition and DoD policy and challenges;
- (3) Have participated on a prior source selection as the SSA, part of the SSAC or SSEB, or as an evaluator;
- (4) Be DAWIA Level III certified in particular field of expertise;
- (5) Completed all applicable Source Selection Training;  
and,
- (6) Have familiarity with references (a) and (b), and this NAVAIR instruction.

c. SSEB (Chair, Assistant Chair, Team Leads, and PCO) Shall:

(1) Have the ability to organize and manage a diverse team with good written and oral communication skills;

(2) Be DAWIA Level III certified in particular field of expertise;

(3) Completed all applicable Source Selection Training;

(4) Have familiarity with references (a) and (b), and this instruction;

(5) Be a General Schedule (GS)-14 or GS-15, or equivalent (depending on complexity and politics of acquisition); and,

(6) Participated on a prior source selection as part of the SSEB or as an evaluator. For SSEB Chairs, experience as a Team Leader or Assistant SSEB Chair is preferred.

5. Peer Reviews. There are two external Peer Reviews, DoD and Department of Navy (DON), and one internal NAVAIR Peer Review. DFARS 201.170 outlines the policy for the review of solicitations and contracts for supplies and services with an estimated dollar value (inclusive of options) greater than or equal to one billion dollars by the Office of the Undersecretary of Defense (Acquisition, Technology, and Logistics), Defense Procurement, Acquisition Policy (DPAP). DFARS 201.170 also requires all Military Departments, Defense Agencies, and DoD Field Activities to establish procedures for the conduct of peer reviews for contracts with a dollar value (inclusive of options) less than one billion dollars. Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management (DASN(A&LM)) memo dated 26 March 2009 establishes the DON policy for the conduct of peer reviews. Reference (f) was implemented at NAVAIR to govern internal and external Peer Reviews.

DEC 16 2013

Table 1 Peer Review Thresholds

Type Of Action	Threshold	Review Level	Peer Review Authority
Services/Supplies/Systems	> \$1B	DoD	DPAP
DoD Special Interest	Identified by OSD as "Special Interest"	DoD	DPAP
Services	\$250M to < \$1B	DON	DASN (AP)
All ACAT Programs (I, IA, II, III, and IV)	Only a Phase I Peer Review is required unless > \$1B	OSD	DPAP or as otherwise directed
DON Special Interest	Identified by the Peer Review Authority as "Special Interest" or referred from the Contracting Activity	DON	DASN (AP)
Supplies/Systems	\$50M to < \$1B	Per CCI 4200.56A	
Services	\$50M to < \$250M	Per CCI 4200.56A	

a. Internal NAVAIR Peer Reviews. Per reference (f), an Internal NAVAIR Peer Review is required for all competitive procurements greater than or equal to 50 million dollars (\$50M) but less than 250 million dollars (\$250M) for services or less than One billion (\$1B) for supplies or when, regardless of dollar value, the procurement is classified as a special interest item. The only exception to this requirement is when there is formal participation by the Source Selection Office (AIR-4.10E) (i.e. SSEB Chair).

b. External Peer Reviews. External peer reviews are required based on dollar amount or special interest and are separated into three phases.

(1) External Peer Review Phase I. Occurs prior to RFP Release. The following are the process steps, shown in order, for the Phase I peer review:

**DEC 16 2013**

- (a) Draft RFP with Sections L and M is developed;
- (b) SSEB Review of Draft RFP is completed;

- (c) Legal Review Board (LRB) is completed;
- (d) Draft RFP is updated with LRB comments;
- (e) Coordinate with DASN (A&LM) and/or DPAP, as applicable, for specific peer review requirements including schedule and documentation;
- (f) Pre-Brief is provided to AIR-2.0 in accordance with reference (f). The pre-briefing is the responsibility of the AIR-2.0 SSAC Member, supported by the PCO and the SSEB Chair as needed, and should include a description of the Source Selection Organization Membership, Background, Contract type, Incentives, Special Contract Features, Evaluation Criteria, and the Source Selection Schedule;
- (g) SSAC Chair, in consultation with SSAC members, provides concurrence to release the Draft RFP with Sections L&M to Industry. An SSAC meeting will typically be held at which time concurrence is provided, however, concurrence may be obtained through other means, e.g. e-mail;
- (h) Draft RFP is released to Industry;
- (i) Draft RFP with supporting documents (e.g. Draft SSP, Acquisition Plan (AP), etc.) provided to DASN (A&LM) and/or DPAP for the peer review. Providing a Draft RFP to DASN (A&LM) shall be agreed upon by all parties involved. If not, provide the Final RFP and supporting documents to DASN (A&LM) and/or DPAP upon completion of the Final RFP release SSAC and/or SSA meetings;
- (j) DASN (A&LM) and/or DPAP final report is received. RFP is updated as appropriate per Industry and DASN (A&LM) and/or DPAP comments;
- (k) Disposition of DASN (A&LM) and DPAP (if required) Phase I comments are documented in a memo to the contract file;
- (l) SSAC meeting and SSA meeting is held to approve release of the Final RFP;

(m) If substantive changes were made between the Draft and Final RFP, DASN (A&LM) and/or DPAP shall be advised of the changes after changes are coordinated with the SSAC and/or SSA, and a delta peer review may be required;

(n) If required, obtain Milestone Decision Authority (MDA) approval to release the Final RFP; and,

(o) Final RFP is released when all outstanding issues are resolved and approvals have been obtained.

(2) External Peer Review Phase II. Pre-Final Proposal Revision (FPR) - Prior to closing discussions. The following are the process steps, shown in order, for the Phase II peer review:

(a) Coordinate with DASN (A&LM) and/or DPAP, as applicable, for specific peer review requirements including schedule and documentation;

(b) Provide Pre-FPR Brief Read-Ahead to the SSAC (or the SSA if no SSAC), forwarded by the SSEB Chair;

(c) Pre-Brief is provided to AIR-2.0 or the AIR-2.0 representative delegated by AIR-2.0 as the Internal NAVAIR Peer Review Authority. A pre-brief is not required if AIR-4.10E is the SSEB Chair;

(d) SSAC meeting is held to determine if discussions can be closed and FPR requested. SSAC agrees that discussions can be closed and FPR requested;

(e) SSA meeting held to obtain SSA concurrence to close discussions;

(f) Evaluation documentation provided to DASN (A&LM) and/or DPAP for peer review;

(g) DASN (A&LM) and/or DPAP final report is received;

(h) Disposition of DASN (A&LM) and DPAP (if required) Phase II comments are documented in memo to the contract file; and,

(i) Discussions are closed and FPR requested when all outstanding issues are resolved.

(3) External Peer Review Phase III. Prior to Contract Award. The following are the process steps, shown in order, for the Phase III peer review:

(a) Coordinate with DASN (A&LM) and/or DPAP, as applicable, for specific peer review requirements including schedule and documentation;

(b) SSAC meeting held to review final evaluation documentation and conduct comparative analysis. SSAC develops recommendation for Award: PAR is completed and signed;

(c) SSA is briefed by the SSAC and/or the SSEB;

(d) SSA makes final Award decision and signs the SSDD;

(e) Pre-Brief is provided to AIR-2.0 in accordance with reference (f). The pre-briefing is the responsibility of the AIR-2.0 SSAC Member, supported by the PCO and the SSEB Chair as needed, and should include the list of offerors and their subcontractors, summary of evaluation results, summary of the PAR, summary of the SSDD, and path ahead;

(f) Final Evaluation documentation provided to DASN (A&LM) and/or DPAP for peer review;

(g) DASN (A&LM) and/or DPAP final report is received;

(h) Disposition of DASN (A&LM) and DPAP (if required) Phase III comments are documented in memo to the contract file; and,

(i) PCO completes the award process when all outstanding issues are resolved.

## 6. Source Selection Process

a. Pre-RFP Release. During Pre-RFP Release, the acquisition documents are developed and the SSO is established. This is usually the longest portion of the entire process.

(1) Requirements Package and Documents. The requirements package shall be consistent with other documents, such as the RFP and/or contract, Technology Development Strategy, Systems Engineering Plan, etc., and adequately describe the minimum needs of the Government.

(a) Requirements Development. Address the capability and performance characteristics for the supplies or services that the Government determines are needed in the acquisition to clearly define the requirements. Requirements development is a critical part of establishing an effective evaluation because the requirements become the standard for evaluation. This also includes the establishment of a realistic program requirement and an affordable set of requirements. As such, consideration of the evaluation should be an integral part of the requirements development process. Requirements are implemented through the SOW and, if applicable, the System Design Specification (SDS). The SOW will provide guidance on the framework, environment, and acceptable analytic methods for evaluating the implementation of requirements during development. The SDS provides a technical definition in engineering terms of the requirements and is developed in accordance with references (e), (g) and (h) as guidance. Coordination between the SSEB Chair and key requirements development personnel (e.g., the PM, the Assistant PM for Systems Engineering, the Assistant PM for Test and Evaluation, the Assistant PM for Logistics) should be maintained throughout the process. The requirements that are developed shall be sound, realistic and affordable. A good set of requirements enables the evaluation to measure the proposal in a fair and consistent manner. Selective use of a threshold, with an objective, is particularly effective for this purpose.

(b) Government Cost Estimate. The Government's cost estimate captures the assessment of the total costs of the procurement. It includes narrative on the basis of estimate and identifies the quantities, number of personnel, number of trips, etc... as it relates to the supplies or service of the

acquisition. Government Cost Estimates, especially those that can be used as a starting point for the evaluation, should be developed before release of the Final RFP. More specifically, prior to receipt of the proposal, a technical baseline and an associated cost and/or price estimate(s) should be developed in order to facilitate the evaluation. These baselines and estimates should be based on historical information which is adjusted to reflect the solicitation requirements. Assumptions made to build the baseline and associated estimate should be identified. For procurements such as Contractor Logistics Support, where assessment of manning and/or staffing is a discriminator, a baseline for the manning and staffing should also be developed. When using the technical baseline(s) and cost estimate(s) to evaluate the proposal, the SSEB Chair, PCO, Technical Team Leader and Cost Team Leader shall ensure that the offerors' approach is reflected in the Government cost estimate and is an integral part of the assessment. See reference (i) for additional guidance on service procurements.

(c) CDRLs. A Data Requirements Review Board is required for acquisitions having an estimated total contract value of ten million dollars or more, in accordance with NAVAIRINST 4200.21D.

(2) Early Exchanges with Industry. Exchanging information on upcoming acquisitions improves industry understanding of Government requirements and Government understanding of industry capabilities. The exchange of information with industry can identify and help resolve issues early in the acquisition process.

(a) Market Research. Market research is essential to identifying capabilities within the market to satisfy the agency's needs and is key in determining whether a commercial item or small business can meet the Government's needs. Market research significantly influences the work statement, is central to designing an acquisition strategy and identifying candidate evaluation criteria which influence the overall source selection process. Thorough and complete market research is the foundation of an effective source selection process toward meeting the agency's needs. See FAR 10.001 and DFARS 201.001 for requirements and benefits of conducting and documenting market research. As an effective part of Market Research, early industry involvement is vital to the source selection process.

Exchanging information on upcoming acquisitions improves understanding of Government requirements and Government understanding of industry capabilities.

(b) Industry Day. Industry Day provides an outline of the acquisition by providing preliminary specifications for Industry review and comments and/or questions. It also allows Industry to network and/or form teaming arrangements. All the information provided at this stage is preliminary and subject to change. Industry Day is a vital tool in collecting information and feedback to improve the quality of solicitations and proposals.

(c) Pre-Solicitation Conference. Pre-Solicitation conferences are held following the release of the Draft RFP with Sections L and M. Pre-solicitation conferences shall be held for all procurements with a value of 250 million dollars or more and is highly encouraged for all other procurements. Pre-Solicitation conferences are held to facilitate Government and/or industry communication and promote a better understanding of the Government's requirements.

(d) One-on-Ones. One-on-Ones encourage active Industry participation in specification review and allows offerors to ask Government questions to better understand the requirements. One-on-Ones may be conducted concurrently with Industry Day and/or Pre-Solicitation Conference.

(e) Technical Library. If applicable, the program Integrated Product Team (IPT) should establish a technical library (preferably electronic) that provides offerors with information to facilitate proposal preparation. It is best to have this prepared prior to exchanges with Industry.

(f) Draft RFP. Use of draft RFPs inclusive of Sections L and M is required for all procurements of \$250 million dollars or more and is highly encouraged for all other acquisitions, particularly if the requirement is complex or not a follow-on acquisition. Paragraph 6a(4)(b) further discusses development of the Draft RFP.

SEP 18 2012

(3) Evaluation Planning

(a) Procurement Planning Conference (PPC). A PPC shall be conducted for any procurement with an estimated value that is equal to or greater than one million dollars and encouraged for procurements less than one million dollars. A PPC, led by the PM, is an acquisition management team meeting conducted in advance of preparing the Procurement Initiation Document and/or Procurement Request. The PPC will establish the acquisition approach, actions required, milestones, resources, and accountability for procurement. A Procurement Planning Agreement documents the PPC decisions and should be achieved as early as possible in the planning process. A part of the discussion should include the stability of the requirements that will flow into the various solicitation documents.

(b) SSP. An SSP, prepared for each competition, identifies SSO membership, establishes the members' roles and responsibilities, and sets forth objectives, evaluation criteria, factors and appropriate subfactors, strategy, procedures, ratings and risk definitions, and schedules. The approved NAVAIR SSP template, found on AIR-2.0 website, shall be utilized for all source selections governed by this instruction.

(4) Request for Proposal Development

(a) Sections L & M. The proposal instructions (contained in Section L of a solicitation) define the format and substance of the information offerors are required to submit in response to an RFP. The evaluation factors and/or criteria (contained in Section M of a solicitation) articulate the parameters the Government will use to evaluate proposals as well as the relative importance placed on the proposal requirements. Sections L and M are discussed below:

1. Sections L and M Development. Development of Sections L and M should start only after it is concluded that the acquisition strategy and the requirements for the solicitation are fairly stable. The development of Sections L and M shall be led by the SSEB Chair and is a team effort which includes SSEB members and other stake-holders knowledgeable about the program. The SSEB Chair and PCO maintain configuration control of Sections L and M.

2. Section L - Instructions, Conditions, and Notices to Offerors or Respondents. Section L contains the proposal instructions which are usually developed after the Section M evaluation factors and/or criteria. The proposal instructions provide specific information and instructions to guide the offerors in preparing their proposals. The proposal instructions flow directly from the Section M evaluation factors and/or criteria and should conform to the structure of the Section M evaluation factors and/or criteria. Section L shall include a Cross Reference Matrix (CRM) for all acquisitions over 100 Million Dollars unless waived by the SSA. CRMs are highly encouraged for all other acquisitions. The CRM shall depict the relationship between Section L, Section M, SDS, PWS and/or SOO and/or SOW, and CLINs and/or WBS (as applicable) and have a direct correlation to the evaluation Worksheets. The approved, tailorable NAVAIR Section L template, found on the AIR-2.0 website, shall be utilized for all source selections governed by this instruction.

3. Section M - Evaluation Factors for Award. This section contains the evaluation criteria listed in order of importance and other factors for award. Evaluation factors and/or criteria should be kept to a minimum and should focus on source selection discriminators. As required by FAR 15.101-1, when using Best Value (trade-off methodology), all evaluation factors and significant subfactors affecting contract award, including their relative importance, shall be clearly stated in the solicitation. In addition, Section M shall state whether all evaluation factors other than cost or price when combined are significantly more important, approximately equal, or significantly less important than cost or price. Section M should also state the Government's intentions with respect to awarding with or without discussions. As per DFARS 215.209, for source selections when the procurement is 100 Million Dollars or more, contracting officers should use the provision at FAR 52.215-1, Alternate 1. A Determination and Findings (D&F) approved by either AIR-2.0, the Deputy Assistant Commander for Contracts (Civilian) (AIR-2.0A) or the Deputy Assistant Commander for Contracts (Military) (AIR-2.0B) is required if not using FAR.52.215-1, Alternate 1 for procurements valued at 100 million dollars or more. When using the Lowest Price Technically Acceptable (LPTA) approach, the solicitation shall provide the evaluation factors and significant subfactors that establish the requirements of acceptability. Since the LPTA

methodology prohibits trade-offs, all evaluation factors and subfactors are equally important. Proposals are evaluated for acceptability but not ranked using the non-cost and/or price factors. Therefore, the Technical and, if applicable, Past Performance ratings are Acceptable or Unacceptable in accordance with reference (b). It is essential that the factors and/or criteria laid out in the SSP exactly match the evaluation criteria set forth in the solicitation. In addition, Section M also contains the definitions used in the evaluation of the Evaluation Factors. The approved, tailorable NAVAIR Section M template, found on the AIR-2.0 website, shall be utilized for all source selections governed by this instruction.

(b) Draft RFP. The Draft RFP allows industry to provide comments to the Government to ensure complete understanding of the requirements and to increase the chances of receiving quality proposals. Draft solicitations shall contain only necessary and cost-effective requirements; and be defined using commercial, non-developmental, or performance and/or functional specifications to the maximum extent practicable to encourage competition, innovative technical solutions, and better prices. Draft solicitations shall not contain Sections L and M, unless they have been approved by the SSAC Chair in consultation with the SSAC or by the SSA for SSCL C. Draft RFPs released prior to Milestone (MS) A approval shall inform potential offerors that the terms of the RFP may change based on staff comment and direction resulting from the MS review. A legal review will occur prior to submission of a completed Draft RFP to the SSAC or SSA. For non-AIR-4.10E lead source selections, a Procurement Peer Review is required prior to release of the draft solicitation (if sections L and M are included) in accordance with reference (f). Drafts that do not contain Sections L and M may be released at the discretion of the PCO.

(c) Final RFP Release. Before the Final RFP is submitted to the SSAC and SSA for final review, it shall have successfully completed a review by the Data Review Board, legal, and the SSEB. If the solicitation required an SDS, a Systems Requirements Review shall also be successfully completed. The Final RFP may be released after the Acquisition Strategy and SSP have been signed and with approval from the SSAC and the SSA. Typically the acquisition strategy shall be approved by the program's milestone decision authority and documented in

accordance with policy established in references (c), (d) and (e). If required, an AP will be prepared and approved in accordance with FAR Part 7. For acquisition category I, IA and II through IV, conduct a Phase I Peer Review and obtain MDA approval for Final RFP release. For services procurements, a Management and Oversight Process for the Acquisition of Services will be signed.

b. Evaluation Preparation. After RFP release and prior to the start of evaluations, a Pre-Proposal Conference may be held, the SSO prepares for proposal evaluations (e.g. training, evaluation plans, etc.), and proposals are received and inventoried.

(1) Pre-Proposal Conference. A Pre-Proposal Conference is typically used in times when there are extensive amendments to the RFP to ensure communication among the Government and industry. The purpose of the Pre-Proposal conference is to ensure that any amendments and/or changes to the RFP are clearly understood by industry to allow offerors to update their proposals accurately and efficiently. A Pre-Proposal Conference may also be appropriate when a Pre-Solicitation Conference was not held in order to ensure communication among the Government and industry.

(2) SSEB Evaluation Plan. SSEB Evaluation Plans may be utilized as a tool to assist in conducting an efficient and effective source selection. SSEB Evaluation Plans are used in addition to the SSP and are highly encouraged. The SSEB Evaluation Plan provides procedures and guidance for the evaluation teams to perform the evaluation. Team Leaders develop Team Appendices, which are part of the overall SSEB Evaluation Plan. These individual Team Appendices include the evaluator evaluation assignments, team organization, and the specific approaches as they relate to each team's responsibility. The overall SSEB Evaluation Plan, including the Team appendices, should be reviewed by the SSEB legal counsel and is submitted to the SSEB Chair for approval. The SSEB Evaluation Plan should be approved before the closing date for receipt of proposals but no later than the start of proposal evaluation.

c. Evaluation

(1) Initial Evaluation. The Initial Evaluation begins once proposals, in response to the final RFP, are received and ends once the competitive range is determined or the SSA selects the source(s) based on the Initial Proposal. Award without discussions shall only occur provided the SSA determines that discussions will not result in a better value, will not result in a better contract, and that another proposal will not have a reasonable chance for award if discussions were held. Additionally, the proposal(s) to be awarded shall meet all requirements (does not contain a deficiency) and have at least an acceptable compliance rating, comply with all terms and conditions of the solicitation, have not been assessed with a high risk, and have a fair and reasonable price, and is not the sole Offeror (see paragraph 7e(6)).

(2) Competitive Range. If discussions are to be conducted, a competitive range consisting of the most highly rated offerors is established. The PCO shall obtain concurrence from the SSA to establish the competitive range and enter into discussions.

(3) Discussions. Discussions begin once a competitive range is established and ends prior to the request of the FPR. Discussions are tailored to each offeror's proposal and shall be conducted by the PCO with every offeror within the competitive range. Discussions shall be meaningful (i.e. ensure that both the Government and the offerors have an understanding of each others' position) and allow the offeror to improve its proposal. Areas that can materially enhance the offeror's proposal should be discussed, along with any issues that result in a significant weakness and/or deficiency. Approaches to effective discussions include face-to-face discussions and Government presentation of the evaluation results with ratings prior to closing discussions. These approaches should be applied as deemed appropriate for the situation presented at time of discussions.

(4) Pre-FPR Review. The purpose of the review is to determine if the PCO is ready to close discussions and shall be conducted for all acquisitions. The results of the evaluation shall be presented to the SSAC, as applicable, and SSA to obtain concurrence to close discussions and request FPR.

(5) Final Proposal Revision. Typically there is a short period of time from the close of discussions to receipt of the

final proposal revisions from offerors within the competitive range. Prior to the Contract Award, the Evaluation team will review the Final Proposal Revisions and the SSA will select the awardee(s) after reviewing the recommendation of the SSAC (or SSEB Chair for SSCL C). A written comparative analysis and source selection recommendation shall be formally documented in the PAR and provided to the SSA prior to the source selection decision for all NAVAIR Source Selections.

(6) Decision. The SSA's decision shall be based on a comparative assessment of proposals against all source selection criteria in the solicitation. Although the SSA will use reports and analyses prepared by others, the source selection decision shall represent the SSA's independent judgment. The SSA's decision shall be documented in the SSDD and shall include the rationale for any business judgments and tradeoffs, including costs, made or relied on by the SSA.

(7) Contract Award & Post Award. An award will be executed by the PCO, once the SSA has selected the source(s) for award, all approvals have been obtained, documentation prepared, and outstanding issues resolved. The PCO should include in the contract any offers that exceed a requirement or provide a feature for which credit was given in the evaluation relating to the technical compliance rating. Announcement of the award will be made per DFARS 205.303 and Contracts Competency Instruction 4200.48 Change Transmittal One, Announcement of Contract Awards over six and one-half million dollars of 20 July 2011. Notifications to unsuccessful offerors will be made following FAR 15.503.

d. Debriefings and Post Source Selection Activities

(1) Debriefing of Offerors. The SSEB and evaluators shall support the PCO in conducting Debriefs.

(a) Pre-award Debriefing. Offerors excluded from the competitive range or otherwise excluded from the competition before award may request a debriefing before award (See FAR 15.505). A pre-award debriefing may be deferred if, for compelling reasons, it is not in the Government's best interest to conduct a debriefing at that time. The rationale for delaying the debriefing shall be documented in the contract file.

(b) Post-Award Debriefing. After award, offerors may submit a written request for a debriefing on the results of the evaluation of their proposal as prescribed in FAR 15.506. Appendix B, of reference (b), provides guidance and best practices on conducting debriefings.

(2) Protest Activity. The SSO shall support AIR-11.0 Legal Counsel in defense against a protest.

7. Evaluation Methodology, Ratings and Definitions. For each procurement, the SSEB shall ensure the evaluation methodology used on a procurement complies with reference (b); is clearly documented with identification of all supporting evaluation tools (e.g., worksheets, evaluation plan, etc.); has prepared training that will be presented to the evaluation team; and has Sections L and M that support the evaluation methodology. The preferred methodologies for evaluating the Technical, Past Performance, Corporate Experience, and Cost and/or Price factors are provided below and have the necessary templates and training in place. The term "technical", as used below and throughout the document, refers to non-cost factors other than Past Performance and Corporate Experience. The difference between Past Performance and Corporate Experience is that Corporate Experience reflects whether contractors have performed similar work before and Past Performance describes how well contractors performed that work. The templates and training can be obtained from the AIR-2.0 website. If there is a deviation from the preferred methodology, the SSA is responsible for ensuring that supporting documents are updated to reflect said deviation.

a. Technical Factors or Subfactors. Technical factors or subfactors are utilized to assess the degree to which an offeror's proposed approach meets or does not meet the minimum performance or capability requirements. Typically this factor relates to the technical and management approach proposed by the offeror whereby the compliance with requirements is assessed and the risk associated with the implementation of that approach is assessed.

(1) Compliance Assessment. The compliance assessment reflects the Government's evaluation of the offeror's technical solution and/or approach for meeting the Government's requirement and measures the degree of positive or negative

impact on performance and/or operations. There are three types of compliance findings that affect the rating:

(a) First, positive evaluation findings called Strengths, are aspects of the proposal that exceed a requirement or that have merit by offering features that enhance performance or operations. Either aspect shall have benefit to the Government. Appreciably exceeding requirements that are expressed as a minimum or threshold requirement can potentially produce performance or operational benefits. Appreciably exceeding the threshold in requirements that are expressed with both a threshold and an objective can also potentially produce performance or operational benefits, but only up to the objective. Beyond the point where there is performance or operational benefit, there may be risk reduction benefits which could be considered a Risk Reducer, but not a strength. With regard to merit, a feature in the proposal that provides the Government with a capability, service or resource that is not specifically required, but benefits the program can have merit if it appreciably enhances performance and/or operations to benefit the Government. An offer to provide a feature or exceed a requirement with performance and/or operational benefits may be included in the resulting Contract within the proposed price. An offer that does not allow incorporation into the contract will only be considered as a Risk Reducer.

(b) Second, negative evaluation findings called Deficiencies, are aspects of the proposal that do not meet a requirement. Deficiencies also relate to a combination of Significant Weaknesses that increases the risk of performance to an unacceptable level; however this type of Deficiency relates to both the assessment of compliance and risk. A proposal that contains a Deficiency is unawardable.

(c) Third, negative evaluation findings called Uncertainties, are aspects of the proposal that make it impossible to determine if a requirement will be met.

(2) Risk Assessment. The risk assessment reflects an evaluation of the proposed implementation of the solution and/or approach to determine the potential for disruption of schedule, increase in cost, degradation in performance, the need for increased Government oversight, or the likelihood of unsuccessful contract performance. The risk assessment measures

DEC 16 2013

the degree of positive or negative impact on program risk in terms of the probability and consequence. The positive findings that affect the rating, called Risk Reducers, are aspects of the proposal that act to reduce or mitigate risks inherent to contract performance or risks associated with implementing the proposed approach in a way that is advantageous to the Government during contract performance. Negative findings that affect the rating, called Significant Weaknesses, are flaws in the proposal that appreciably increase the risk of unsuccessful contract performance. They act to increase the risk of the program or create risk with implementing the proposed approach.

(3) Roll-up Process. The technical evaluation uses a roll-up process by which the evaluator's findings (Potential Strengths, Deficiencies, Uncertainties, Potential Risk Reducers, and Weaknesses) are documented on Worksheets and vetted through the Team Leaders. Team and Sub-team Leaders then prepare a Rated or Unrated Summary Sheet with those findings that are determined to be accurate and have an appreciable positive or negative impact or are considered to be a discriminator. Findings on Summary Sheets are called Strengths, Deficiencies, Uncertainties, Risk Reducers, and Significant Weaknesses. These Summary Sheets are then used to prepare the SSEB Report. All compliance and risk assessments, whether in a Worksheet, Summary Sheet, or SSEB report, shall be supported by detailed written narratives that require a factual basis; are consistent with the evaluation factor and/or subfactors; and will promote reasoned and well documented source selection decisions. The definitions for these various findings are provided in Table 6. The Technical Worksheet and Summary Sheet templates may be obtained from the Acquisition Timeline located on the MyNAVAIR website at <https://mynavair.navair.navy.mil/portal/server.pt>. The templates are within the Competitive Source Selection Process folder under the Procurement Package Development Phase. The templates may also be obtained from AIR-4.10E and AIR-2.1.

(4) Compliance and Risk Ratings. Reference (b) provides two different sets of rating definitions that may be used; one that combines the assessment of compliance and risk and the other that provides separate compliance and risk ratings. NAVAIR's preferred method is to separately rate compliance and risk. The separate compliance and risk rating definitions are provided by reference (b) and are contained in Tables 2 and 3.

**DEC 16 2013**

As a general rule, the Compliance rating and the Risk Rating are of equal importance. In unusual

DEC 16 2013

circumstances, the Compliance Rating and Risk Rating may be weighted differently but this shall be clearly expressed in the Section M Evaluation Criteria.

b. Past Performance. The past performance evaluation results in an assessment of the offeror's probability of meeting the solicitation requirements. One performance confidence assessment rating is assigned for each offeror after the past performance evaluation considers each offeror's demonstrated recent and relevant record of performance in supplying products and services that meet the contract's requirements. Typically, this assessment includes the evaluation of the Offeror as the Prime, subcontractors, the Joint Venture (JV) (e.g., JVs, limited liability corporations specifically formed to propose on a particular acquisition, etc.) and its JV team members as specified by the evaluation criteria. The specifics of which proposed contractor entities will be evaluated (Prime, Principal or Critical subcontractors, etc.) shall be clearly identified in the evaluation criteria. However, when a JV is proposed, the JV and each of its team members shall be evaluated.

(1) Data Collection. In conducting a past performance evaluation, the first step is to create a good record by collecting the data that will be used as the foundation for the past performance evaluation. Past performance data may be obtained from a variety of sources which include, but are not limited to: the Offeror's past performance proposal, Past Performance Information Retrieval System (or other past performance databases), past performance questionnaires, interviews (program managers, contracting officers, Defense Contracts Management Agency, etc.), Award Fee and/or Incentive Fee Reports, Earned Value Management, and Small Business performance data. The evaluation team shall not rely solely on the proposal, but should also query some of the Government sources mentioned above to corroborate proposal information and determine if other contracts exist that might be recent and relevant. The Electronic Document Access, Central Contractor Registration, and Business Identification Number Cross Reference System databases may be used to corroborate proposal information. Once collected, this information shall be organized by contract and by offeror.

(2) Relevancy. After data has been collected, the offeror's past contracts shall be reviewed to determine how

relevant a recent endeavor is to the effort to be acquired through the solicitation. In establishing what is relevant for the acquisition, consideration should be given to those aspects of an offeror's contract history that would give the greatest ability to measure whether the offeror will satisfy the current procurement. Relevancy is defined in reference (b) and in Table 4. Essentially, it is a measure of the extent of similarity between the type of effort (e.g., development, production, repair, service and/or support, etc.), complexity, dollar value, contract type, role and responsibility (e.g., similarity of the offeror entity's proposed task effort(s) compared to the past contract's task effort(s), etc.), subcontract and/or teaming and other comparable attributes of past performance against the solicitation requirements. These attributes are used to assess not only whether the contract is relevant, but used to determine the degree of relevancy. This provides a measure of the likelihood that the past performance is an indicator of future performance. The Past Performance Team should develop a relevancy definition that will be used to determine what type of contracts and/or efforts will be considered similar in scope, magnitude and complexity for the specific acquisition. With respect to relevancy, the following should be considered:

(a) In general, the solicitation should state that only offeror entities (e.g., prime, subcontractors and JV and their team members, etc.) with the same physical location(s) proposed and with a defined role and responsibility will be evaluated. Therefore, contracts performed by entities, other than those as defined in the criteria, will be considered not relevant.

(b) Recency and place of performance (physical location of the offeror entity) are essentially pass and/or fail assessments with the appropriate solicitation language. The solicitation should define recency in terms of number of years such that the contract performance is within X years (typically five years) from proposal due date.

(c) Any contract that is not relevant is eliminated from any further consideration in the evaluation.

(d) Examination of the past contract's SOW and/or Specification is helpful in determining the degree of relevancy

of past contract as compared to the proposed future effort based on the proposed approach and the solicitation.

(e) Coordination with the Corporate Experience Team (if Corporate Experience is a factor in the evaluation) is necessary to ensure that all contracts submitted in the Corporate Experience proposal were also submitted in the Past Performance proposal for review as long as these contracts meet the solicitation recency definition.

(3) Relevancy Ratings. The solicitation shall identify the various degrees of relevancy for which the contracts will be rated. Reference (b) allows for the use of up to four levels of relevancy: Very Relevant (VR), Relevant (R), Somewhat Relevant (SR), and Not Relevant (NR), which are defined in Table 4. These ratings shall be determined only at the contract, task order, or delivery order level. Typically, NAVAIR will use three levels of relevancy (VR, SR, and NR). However, two or four levels may be used when circumstances either warrant more or less discrimination.

(4) Evaluation

(a) Upon completion of the relevancy analysis, the relevant contracts are then utilized to determine how well the offeror performed in the past. The past performance team will leverage the offeror's demonstrated past performance record for each of the relevant contracts and will utilize that data to document the positive and negative findings for each contract for the areas of Technical Performance, Schedule Performance, Cost Performance, Management Performance, and Small Business Concerns in order to assess future performance within each area.

(b) An assessment for each area based on the positive and negative findings is also provided on the Contractor Performance Assessment Worksheet for each contract. For negative findings, the team shall assess demonstrated systemic improvement by reviewing efforts taken by the offeror, performance results due to those actions, and the resultant impact of the effort on any follow-on efforts (i.e., systemic improvement implemented but did not resolve the concern; or systemic improvement implemented and partially demonstrated; or systemic improvement implemented and fully demonstrated).

DEC 16 2013

(c) Consideration for discounting past problems should be made based on the assessment of demonstrated systemic improvement. Once the positive and negative findings with area assessments are documented for each contract, the offeror's overall past performance record will be reviewed to determine if there are any positive or negative trends in the offeror's record as well as to determine the significance of each of the findings as they relate to the contract requirements. This is documented in an Offeror Performance Assessment Worksheet. The significance of the finding is a function of the probability of reoccurrence and the severity, consequence, or impact of that finding. The significance of the finding should be an integral part of the narrative description of the finding.

(d) Once the findings are fully evaluated, an overall assessment is completed for each area (Technical Performance, Schedule Performance, Cost Performance, and Management Performance, and Small Business Concerns). The results of this review (i.e., the assessment of each area along with the findings that best characterize those assessments) will then be documented and will become the basis for the performance confidence assessment rating.

(e) The Past Performance Rated Summary Sheet template may be obtained from the Acquisition Timeline located on the MyNAVAIR website at <https://mynavair.navair.navy.mil/portal/server.pt>. The template is within the Competitive Source Selection Process folder under the Procurement Package Development Phase. The template may also be obtained from AIR-4.10E and AIR-2.1.

(5) Confidence Assessment Rating. In conducting a past performance confidence assessment, each offeror shall be assigned a performance confidence assessment rating as defined in Table 5. Performance confidence assessments evaluate the likelihood that the offeror will successfully complete the solicitation requirements based on previously demonstrated recent and/or relevant performance. This assessment reflects the Government's confidence that the offeror will successfully perform the contract requirements based on the offeror's recent and/or relevant past performance and systemic improvement. In making the confidence assessment, the currency and relevance of the information, source of the information, context of the data, and general trends in contractor's performance shall be

considered. With respect to relevancy, more relevant past performance will typically be a stronger predictor of future success and will have more influence on the performance confidence assessment than past performance of lesser relevance.

Note: Also, it should be noted, lack of a relevant past performance record may not be evaluated favorably or unfavorably (as per FAR 15.305 (a)(2)(v)), and therefore will receive an Unknown (Neutral) performance confidence assessment.

c. Experience. Experience is the measure of whether or not an offeror has performed similar work in the past. NAVAIR's preferred approach is to use experience as a standalone factor, entitled "Corporate Experience". However, experience may also be embedded in a technical factor and/or subfactor. Reference (b) identifies Past Performance as the only factor allowed to use a performance confidence assessment. However, a waiver to reference (b) was approved by reference (j) that allows the application of performance confidence assessment to a separate Corporate Experience factor. When a separate Corporate Experience factor is used, the solicitation shall clarify that only corporate experience is evaluated and that personnel experience will not be evaluated as part of this factor. When Corporate Experience is embedded in a technical factor, compliance and risk ratings shall be used. Corporate Experience shall not be a sub-factor of past performance. Also, independent from whether or not a Corporate Experience factor is used, key personnel, when determined to be a discriminator, may be evaluated separately under the Technical factor. However, a key personnel substitution clause should then be part of the solicitation. The four basic steps of a corporate experience evaluation are provided below:

(1) Building the Experience Record. In conducting a corporate experience evaluation, the first step is to create a good record by collecting the data that will be used as the foundation for the corporate experience evaluation. It is important to collect experience data in an organized manner to facilitate the evaluation. The experience team will utilize the corporate experience references provided by the offerors to complete the evaluation. Examination of the past contract's SOW and/or specification is helpful in determining the depth and breadth of the past contract as compared to the proposed future effort based on the proposed approach and the solicitation. The

following relates to the types of experience to be used in this evaluation:

(a) The team shall only utilize experience that has been deemed to be a similar effort (e.g., similar technology, work type and/or effort, scope of effort, etc.) to that of the evaluation areas identified in the evaluation criteria.

(b) The experience provided should only relate to "corporate" experience, which is the experience that an entity (e.g. the Offeror (proposed prime), principal subcontractor, critical subcontractor, and JV team member) has gained through contracted work vice the experience of its personnel.

(c) The contract work shall be relevant to the proposed entity's physical location and proposed role and responsibility. In general, more recent experience will be considered more relevant than older experience. The team should recognize upfront the roles and responsibilities of each offeror entity and gain an understanding of the offeror's technical approach to ensure that the analysis takes these roles and responsibilities into account.

(2) Gap Analysis. The data is then organized to facilitate a gap analysis.

(a) The gap analysis starts by reviewing the documented past experience and attributing them to each of the experience areas identified in the evaluation criteria. The assessment will consist of a comparative analysis of past contracts to determine the degree of relevant experience that can be leveraged on future performance. The assessment is based on the breadth, depth and similarity to the work required to meet this contract requirement as proposed.

(b) From this, a gap analysis is conducted to determine any experience shortcomings with respect to performing the work. As experience is related to the evaluated areas, the "gaps" become filled. The extent to which these gaps are filled becomes the gap analysis.

(c) The team will document the assessment as findings that are factual accounts of the record with

explanations of how the experience either fills or fails to fill the gaps.

(3) Evaluation. Once a good experience record with a gap analysis is completed, an assessment of each experience area identified in the evaluation criteria can be accomplished. This assessment will relate the significance of the experience and gaps with regard to that area.

(a) The evaluation should include an analysis of the offeror's breadth and depth of the work performed, where breadth is the degree to which the offeror has performed all activities and/or tasks of a given effort and depth is the extent to which each activity and/or task of the effort was performed (e.g., frequency of occurrence (number of iterations), the degree to which sustained activity was performed, or the amount of rigor (detail) applied to the activity).

(b) Other key considerations in this assessment are the similarity of experience, the extent to which a gap in experience will impact future performance, and the extent to which experience can be leveraged in the performance of the future work based on the proposed approach, roles and responsibility and the solicitation requirements.

(c) These assessments shall be documented along with the supporting findings.

(d) The Corporate Experience Worksheet and Rated Summary Sheet templates may be obtained from the Acquisition Timeline located on the MyNAVAIR website at: <https://mynavair.navair.navy.mil/portal/server.pt>. The templates are within the Competitive Source Selection Process folder under the Procurement Package Development Phase. The templates may also be obtained from AIR-4.10E and AIR-2.1.

(4) Confidence Assessment Rating. In conducting a performance confidence assessment for Corporate Experience, each offeror shall be assigned a performance confidence assessment rating, which is defined in reference (b) and in Table 5. The Unknown Confidence (Neutral) rating is not applicable to the Corporate Experience factor. The performance confidence assessment reflects the Government's confidence in and the likelihood that the offeror will successfully complete the

solicitation requirements based on previous demonstrated recent and/or relevant experience. The breadth and depth of the experience, criticality of any experience gaps found, relevance to the solicitation, and the offeror's approach will help determine the performance confidence assessment.

Note: It should be noted, while lack of a Past Performance record may not be evaluated favorably or unfavorably in determining the performance confidence assessment, a lack of a Corporate Experience record will adversely impact the performance confidence assessment rating.

d. Cost or Price. Cost or price to the Government shall be evaluated in every source selection, in accordance with references (a) and (b). It is critical for the Cost or Price Team Lead to determine which type of criteria, i.e, cost realism and/or reasonableness, will be used to evaluate the offeror's proposal based on the contract type. The Cost or Price Team Lead will clearly identify this throughout all Source Selection documents and follow reference (k) during the evaluation. The guides are a set of reference volumes that were developed jointly by the Federal Acquisition Institute and the Air Force Institute of Technology. The guides are posted at the Acquisition Community Connection (ACC), under the Contracting ACC Practice Center.

(1) Fixed-Price. Reasonableness will be assessed, where reasonableness is generally an assessment of whether the price is too high with respect to historical prices for similar work. For this evaluation, a price analysis will be performed for Fixed-Price type contracts and the proposed prices shall not be adjusted although costs to the Government could be assessed if allowed by the evaluation criteria. In exceptional cases, realism may also be utilized per FAR 15.404-1(d) (3).

(2) Cost-Plus. Cost realism is assessed, where realism is generally an assessment of whether the price is too low. For this evaluation, a cost analysis will be performed where the proposed cost may be adjusted based upon the Government's analysis to develop the most probable cost. The cost analysis shall consider the offeror's proposed approach. Costs to the Government could be assessed if allowed by the evaluation criteria.

DEC 16 2013

(3) Hybrid. A Hybrid is a mix of Fixed-Price and Cost-Plus within a single contract. Both cost realism and reasonableness may be assessed as described in the above paragraphs. Costs to the Government could be assessed if allowed by the evaluation criteria.

(4) Cost and Price Analyses

(a) Price Analysis. Price analysis is the process of examining and evaluating a proposed price to determine if it is fair and reasonable without detailed evaluation of its separate cost elements and proposed profit or the appropriateness and need of each element of cost. Price analysis primarily involves some form of comparison with other prices. While competition typically establishes price reasonableness, the cost or price team lead should refer to FAR 15.404-1(b)(2) for additional price analysis techniques and procedures to ensure a fair and reasonable price.

(b) Cost Analysis. Cost analysis is the process of examining and evaluating a proposed price to determine if it is fair and reasonable by detailed evaluation of its separate and/or individual cost elements and proposed profit and/or fee. The appropriateness and necessity of each element of cost should be included in the cost analysis. The cost or price team lead should refer to FAR 15.404-1(c) and FAR 15.404-1(d) for additional cost analysis techniques and procedures.

e. Special Evaluation Considerations

(1) Technical-Cost or Price Coordination. Technical-Cost or Price team coordination is an essential part of the evaluation to ensure the proposal reflects a clear understanding of the requirements and the proposed costs are consistent with the technical approach. The SSEB Chair and the PCO should ensure that this coordination takes place and the Cost or Price and Technical Team Leads should ensure that results of this coordination are documented as part of the evaluation record.

(2) Life-Cycle Costs (LCC) and Operations and Support (O&S). LCC and O&S costs should be a consideration in every design and/or development competition. During the development of the evaluation criteria, an assessment should be made to determine if LCC and O&S would be a discriminator and the extent

to which a cost analysis can be performed. If LCC and O&S is a discriminator and a cost analysis can be performed, then the cost factor will include a LCC and O&S subfactor. If LCC and O&S is a discriminator and a cost analysis cannot be performed, then LCC and O&S should be included as qualitative assessment in the Technical factor.

(3) Cost Risk. Consideration for using an evaluation of Cost Risk should be made for procurements where cost realism will be assessed. Cost Risk is an assessment of the difference between the proposed cost and the Government's most probable cost.

(4) Affordability. Before release of the Final RFP, the PM, in conjunction with the Systems Engineer or Technical Lead and the Cost or Price Lead, will confirm to the SSAC that the Government Cost estimate for the solicitation is commensurate with the available funding. For design and/or development programs, the PM shall also confirm to the SSAC that the schedule by which offerors will be assessed is realistic for the work to be performed.

(5) Energy. Per reference (1), all acquisition programs involving energy-consuming end items shall consider having energy as a factor in the evaluation criteria. The AP shall state the intention to use energy as a factor or provide justification as to why it will not be a factor. If energy is a factor, technical requirement(s) shall be developed that clearly define the standard to which energy will be evaluated. If a substantive requirement or set of requirements are not developed, then justification for not using Energy as a factor shall be placed in the AP stating this as the reason. The energy factor may be a technical-type factor with a compliance rating and risk, a technical-type factor with a pass and/or fail rating, or a cost-type factor. The type of factor and the order of importance will be a determination of the SSO as approved by the SSA.

(6) Single Offeror Competitions. In accordance with DFARS 215.371, solicitations that were open for less than 30 days and only received one offer, shall re-advertise the solicitation for a minimum of an additional 30 days. If the solicitation was open for at least 30 days, or has been re-advertised and still only one offer was received, the

contracting officer shall not depend on the standard at FAR 15.403-1(c)(ii) in determining the price to be fair and reasonable. Rather the contracting officer shall use price or cost analysis in accordance with FAR 15.404-1 to make that determination. If the contracting officer believes that it is necessary to enter into negotiations with an offeror, the basis for these negotiations shall be either certified cost and pricing data or data other than certified cost or pricing data, as appropriate, in accordance with FAR 15.403-1(c), DFARS 215-403-1(c) and FAR 15.403-3(b). The negotiated price should not exceed the offered price. Waivers to the policy requirement to resolicit or the requirement to conduct negotiations are permitted. The waiver authority is the Head of the Contracting Activity (HCA). However, the HCA may delegate this authority to not lower than one level above the contracting officer.

(7) Knowledge Based Services Contracts Best Value Source Selection Premium. In accordance with reference (i), in a best value source selection the Government may be willing to pay a cost premium in order to obtain a higher rated level of support; however, the premium must represent a good business decision for the Government. If the recommendation is to make award to an offeror with a 10 percent or greater premium over the lowest acceptable offeror's Total Evaluated Cost or Price, it shall be evaluated for rationale, justification and appropriateness. In addition, notification to the Chief of the Contracting Office (CCO) is required.

f. Evaluation Definitions

(1) Technical Ratings. The rating assignments reflect the Government's assessment of the offeror's technical solution for meeting the Government's requirement.

SEP 18 2012

Table 2 Technical Compliance Ratings

Rating		Description
Blue	Outstanding	Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. The proposal contains multiple strengths and no deficiencies.
Purple	Good	Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains at least one strength and no deficiencies.
Green	Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Proposal has no strengths or deficiencies.
Yellow	Marginal	Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements.
Red	Unacceptable	Proposal does not meet requirements and contains one or more deficiencies and is unawardable.

(2) Technical Risk Ratings. The risk rating assignments reflect the Government's assessment of the potential for disruption of schedule, increased costs, degradation of performance, the need for increased Government oversight, or the likelihood of unsuccessful contract performance.

Table 3 Technical Risk Ratings

Rating	Description
Low	Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Can potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.
High	Is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties, even with special contractor emphasis and close Government monitoring.

(3) Relevancy Definitions

Table 4 Past Performance Relevancy Definitions

Rating	Definition
Very Relevant	Present/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.
Relevant	Present/past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Present/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires.
Not Relevant	Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

(4) Performance Confidence Assessment Ratings

(a) For the Past Performance factor, the Performance Confidence Assessment rating assignments reflect the Government's confidence that the offeror will successfully

perform the solicitation's requirements based on the offeror's recent and/or relevant past performance record and systemic improvement.

(b) For the Corporate Experience factor, the Performance Confidence Assessment rating assignments reflect the Government's confidence that the offeror will successfully perform the solicitation's requirements based on the offeror's previous recent and/or relevant corporate experience record. Unknown Confidence (Neutral) is not applicable to the Corporate Experience factor evaluation.

Table 5 Past Performance and Experience Confidence Assessment Ratings

<b>Rating</b>	<b>Description</b>
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.
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.
Unknown Confidence (Neutral)	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.

(5) Other Evaluation Definitions

Table 6 Other Evaluation Definitions

Potential Strength	An aspect of an offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that <u>may</u> be advantageous to 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 <u>will</u> be advantageous to the Government during contract performance.
Potential Risk Reducer	An aspect of an offeror's proposal that reduces risk in a way that <u>may</u> be advantageous to the Government during contract performance.
Risk Reducer	An aspect of an offeror's proposal that reduces risk in a way that <u>will</u> be advantageous to the Government during contract performance.
Weakness (FAR 15.001)	"...a flaw in the proposal that increases the risk of unsuccessful contract performance."
Significant Weakness (FAR 15.001)	"...a flaw that appreciably increases the risk of unsuccessful contract performance."
Uncertainty	An aspect of the proposal that affects the Government's ability to determine if a requirement will be met.
Deficiency (FAR 15.001)	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.
Recency	A measure of the time that has elapsed since the performance reference occurred. Recency is generally expressed as a time period during which performance references are considered relevant.

<p>Relevancy</p>	<p>A measure of the extent of similarity between the service/support effort, complexity, dollar value, contract type, and subcontract/teaming or other comparable attributes of performance examples and the solicitation requirements; and a measure of the likelihood that the performance is an indicator of future performance.</p>
<p>Reasonableness        (excerpt from FAR 31.201-3)</p>	<p>A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business. What is reasonable depends upon a variety of considerations and circumstances, including:        1) Whether it is the type of cost generally        2) The contractor's responsibilities to the Government.</p>
<p>Cost Realism (FAR 2.101)</p>	<p>The costs in an Offeror's proposal –        (1) Are realistic for the work to be performed;        (2) Reflect a clear understanding of the requirements; and,        (3) Are consistent with the various elements of the Offeror's technical proposal.</p>
<p>Completeness</p>	<p>The adequacy of the cost proposal, in relation to the SOW, considering whether all costs are included or accounted for. All SOW requirements must be included.</p>

8. Documentation. Contemporaneous documentation of the evaluation and evaluation results is a critical part of the source selection process. While additional documentation in the form of minutes and memorandum to the file may be needed on a case by case basis, there are established documents and reports that shall be used and properly completed with clear and concise narrative descriptions of the evaluation results. Those documents and when they are required are shown in the Table 7.

Legend:

Worksheet (WS); Rated Summary Sheet (RSS); Proposal Analysis Report (PAR); Source Selection Decision Document (SSDD); Business Clearance Memorandum (BCM)

Table 7 Evaluation Documentation

	WS	RSS	SSEB Report	SSAC Brief <sup>1,3</sup>	Comp. Range Memo	PAR	SSA Brief <sup>1</sup>	SSDD	Pre/Post BCM
Award on Initials	√	√	√	√	n/a	√	√	√	√
Competitive Range (after <u>exclusion</u> of one or more offerors)	√	√	√	√	√	n/a	√	n/a	n/a
Competitive Range ( <u>inclusion</u> of All offerors)	√ <sup>2</sup>	√ <sup>2</sup>	n/a	√	√	n/a	√ <sup>4</sup>	n/a	n/a
Award on Finals	√	√	√	√	n/a	√	√	√	√

Notes:

1 - Brief = Notification by Presentation, e-mail, Memo, etc.

2 - Required for all three SSCLs. All initial WS and RSS should be completed prior to establishing a Competitive Range; however, when the SSA or SSAC Chair allows early Discussions, a Competitive Range may be established where some WS and RSS are still in process.

3 - For SSCL A and B only

4 - For SSCL C only

9. Administrative Procedures. Below are administrative procedures typically required for all Source Selections.

a. Source Selection Security. The PCO, SSEB Chair, and Security Officer will indicate the acceptable areas available to

SEP 18 2012

conduct evaluations or discuss the evaluation during the Source Selection. It is critical that no members openly discuss, evaluate, or review Source Selection information in any unsecured areas without the approval of the PCO and/or SSEB Chair. Transportation of source selection material outside of the evaluation spaces shall be approved by the SSEB Chair. This material must be in an envelope or other container to conceal its contents while being transported.

(1) Requirements. Security of competition sensitive information shall be maintained throughout the competitive process, from the pre-draft solicitation phase through the post award phase, to prevent disclosure of information that can jeopardize the integrity or the successful completion of a source selection. Procedures to ensure security will be established and implemented for each source selection. Exceptions to any of the security procedures shall be approved by the SSEB Chair and/or the PCO. Proposal information and evaluation results shall be safeguarded to maintain the integrity of the evaluation process in accordance with FAR 2.101 and 3.104.

(2) Physical Security. All documents, working papers, or notes shall be locked in a secure facility at the end of each day. In addition, no documents should be saved to laptops or removable hard drives unless permitted by the PCO or SSEB Chair.

(3) Handling of Documentation. Pre-Solicitation (SOO and/or SOW and/or CDRLs and/or Specification, briefs etc.), Proposal and evaluation material will be handled consistent with source selection information as defined by FAR 2.101 and 3.104. If the material is classified at a Confidential or higher level, the material shall be handled and stored in accordance with classified material regulations. Use of the internal mail and/or routing systems or electronic mail for classified material is prohibited. All source selection material shall be marked as follows:

(a) Hand carried material shall be placed in sealed containers with the additional marking of "SOURCE SELECTION INFORMATION - SEE FAR 2.101 and 3.104."

(b) Use of limited access share folders dedicated to the source selection is the preferred method of electronically

DEC 16 2013

transporting and/or sharing source selection material. Use of email to discuss or transfer source selection material should be avoided whenever possible. If email use cannot be avoided, the subject line should contain the legend "SOURCE SELECTION INFORMATION - SEE FAR 2.101 and 3.104".

(c) If an email contains an attachment, the attachment should be password protected and the email should contain the following warning within the body of the email:

"The attachment contains source selection information. Make sure your area is secure before opening the attachment so that no unauthorized personnel can view the information. If the attached is printed, the printed information shall be placed in a lockable container when it is out of your sight. If the material is carried to another location, place the information in an envelope or some other enclosure to protect its contents from being viewed. In responding to this e-mail, ensure that you keep all source selection information in the password protected attachment and that your e-mail includes this statement. Please delete this e-mail when it is no longer needed."

(4) Required Certifications. All who participate in preparing solicitation documents, evaluating proposals, or any activity associated with the source selection shall, prior to their participation, certify their agreement not to disclose sensitive information by completing and signing a NDA. The NDA template may be obtained from the Acquisition Timeline located on the MyNAVAIR website. The template is within the Competitive Source Selection Process folder under the Procurement Package Development Phase. The template may also be obtained from AIR-4.10E and AIR-2.1. As part of that certificate, all who participate personally and substantially through decision or the exercise of significant judgment shall also ensure that an NDA, filed within the current fiscal year, or the equivalent form for contractor support personnel, is on file with an ethics counselor (AIR-11.0 or the NAVAIR site equivalent). Once proposals have been received, the PCO will request the ethics counselor review source selection teams NDAs in relation to the prime offerors and/or proposed subcontractors

to ensure there are no conflicting financial interests. This review will be documented by a memo provided to the PCO that there are no actual or potential conflicts of interest. The PCO shall consult with the ethics counselor in situations that raise actual or potential conflicts of interest. An ethics counselor (AIR-11.0 or the NAVAIR site equivalent) retains all NDAs; the PCO retains all nondisclosure certifications. At the conclusion of the procurement, the nondisclosure certifications become part of the Official Competition File. During the evaluation, only personnel who are designated by the AIR-11.0 ethics counselor to have no conflicting financial interests will be given access to the proposals. Designated personnel will not discuss nor reveal proposal or evaluation results with anyone except other designated evaluation personnel unless approved by the PCO or SSEB Chair.

b. Disclosure of Information. To reduce the possibility of improperly disclosing sensitive information and to avoid having knowledge of proposal cost and/or price improperly influencing evaluations in non-cost areas, bottom-line cost and/or price information will not be made available to members of non-cost and/or price evaluation teams. Exceptions to this policy shall be granted by the SSEB Chair and/or the PCO. Subject to this approval, direct labor hours and direct material and sub tier costs or price may be provided by the cost or price team to other teams for verification by functional experts. Any disclosure of such cost and/or price information shall be consistent with the principle of not allowing cost and/or price information to improperly influence the evaluation in other areas. Disclosure of technical, logistics, management or any other evaluation information to the cost or price evaluation team is permissible and expected.

c. Exchanges with Offerors. All documentation or inquiries to and from the offerors will be processed only through the PCO, and will be coordinated with the appropriate Team Leaders and the SSEB Chair.

d. Non-Government Personnel. Pursuant to FAR 37.204, a written D&F shall be approved by AIR-2.0, AIR-2.0A or AIR-2.0B and Legal Counsel prior to the use of support contractors in the source selection process. However, use of Federally Funded Research and Development Centers (FFRDCs) do not require a D&F. Generally, only Government personnel should be used in source

selections; however, use of contractor support personnel may be appropriate under certain extraordinary circumstances. If approval is given to use any non-Government personnel, including those of FFRDCs, adhere to the following guidelines:

(1) The solicitation shall state that non-Government participants will have access to the offeror's proposals, and that submission of an offer shall constitute consent to the disclosure of proprietary information to all non-Government participants in the source selection. Identity of non-Government corporate entities will be furnished in the solicitation.

(2) All non-Government personnel shall sign NDAs, or their equivalent documents.

(3) The contract for the support contractors shall include the Organizational Conflict of Interest (Services) clause, NAVAIR 5252.209-9510 or equivalent. Support contractors used in the selection process will be subject to certain restrictions in performance of their duties. Specifically, they will have no access to the SSP or solicitation Sections L and M prior to solicitation release and shall have no involvement in the source selection process without the written approval of the SSAC Chair (SSEB Chair if there is no SSAC). Access to proposals will be limited to the specific areas where contractor support is required.

(4) Non-Government participants shall not be members of any evaluation council, board, or panel; nor shall they be voting members of any evaluation team. They may not attend SSAC, SSEB, and evaluation factor team meetings, prepare documents or other materials considered source selection information pursuant to FAR 3.104, or serve in any other capacity without the express approval of the SSEB Chair. When authorized to support an evaluation team, the contractor personnel (including FFRDC personnel) shall not participate as an evaluator, but may participate as an advisor to the Government evaluator or team.

e. Training. Training of evaluators, prior to evaluations, should include pre-evaluation briefing and/or training sessions to ensure evaluators' understanding of the evaluation procedures to be followed. Training in and use of automated and/or

computerized evaluation techniques may facilitate and improve the evaluation process. Review of a cross-reference matrix (if used in the solicitation) may facilitate an understanding of solicitation requirements and criteria, factors and appropriate sub factors to be evaluated. The Procurement Integrity Act Training will be provided by the SSEB Legal representative and shall be completed prior to the start of evaluations. Typically, all other training will be provided by the SSEB Chair, Assistant Chair, Team Leader, or the PCO.

f. Site and Facilities. Proposal evaluation and source selection activity should be held at a single Government site to enhance control over the conduct and coordination of the evaluation and security of proposal material and evaluation results; however, for joint service programs, evaluation sites at each activity may be appropriate. Support contractor controlled conference rooms may only be used (e.g., for oral presentations) when the support contract contains the Organizational Conflict of Interest (Services) clause, NAVAIR 5252.209-9510 or equivalent. Evaluations should always be performed in a secure location to maintain the integrity of the source selection. Each NAVAIR site should have dedicated evaluation facilities which should have the capability to be secured and be access controlled. The facilities should have storage containers for evaluation materials and should have sufficient number of Navy Marine Corps Internet (NMCI) computers with access to the NMCI network. If sufficient evaluation facilities are not available, it is the responsibility of the Program Manager to obtain and/or locate the appropriate facilities for the evaluation. At a minimum, the evaluation material shall be stored in lockable containers and/or secure room when not in use.

g. Official Competition File. Documents crucial to the source selection decision, the successful conduct of debriefings, and the successful disposition of any protests shall be retained by the PCO. These documents should clearly detail the planning, evaluation, and selection decision. After award, the PCO shall establish the official competition file consisting of the following items: procurement IPT agreements, documented acquisition strategy and/or the AP, business clearances, SSP, solicitation with attachments, SSEB and evaluation factor team evaluation plan and working papers, SSAC and/or SSEB briefing charts (including: initial briefing,

NAVAIRINST 4200.39C

SEP 18 2012

competitive range briefing, final briefing, and any special SSAC and/or SSEB briefings), minutes of all SSAC meetings, SSA briefing charts, SSA memoranda (including RFP release, competitive range, and award), final SSEB and/or evaluation factor team report, proposal analysis report, competing offeror's proposals (originals), and NDAs.