PHASE 2 - Pre-Final Proposal Revision

Type of Feedback	Type of Contract	Feedback Category	Feedback
Best Practice	Competitive, multiple-award IDIQ	Source Selection	Contracting Officer (CO) prepared a worksheet/checklist that included every requirement to be evaluated with a cross-reference to the performance work statement (PWS) paragraph, the sample task element to be evaluated, and the corresponding Section M evaluation criteria. This worksheet enabled the source selection team (SST) evaluators to identify, determine, and document whether the offerors satisfactorily met the requirements.
Best Practice	Competitive, multiple-award IDIQ contract	Source Selection	The solicitation was structured such that key elements of the proposal were due in a time and fashion replicating those required for actual task orders. This enabled a realistic appraisal of the potential contractor's responsiveness. Specifically, the solicitation called for proposals to be submitted in two phases. In Phase 1, three volumes were to be submitted: the Mission Capability volume (minus sample task order proposals), the Past Performance volume, and the Contract Documentation volume. At a later date, the sample task orders were released, after which the offerors were given 30 days to submit their final two volumes, one for their sample task proposals, and the other for their Cost/Price proposals. In this way, the Government would test the offerors' ability to respond to a task order proposal approximating the time they would have to respond to a real proposal after contract award.
Best Practice	Competitive, multiple-award IDIQ	Source Selection	Agency employed the practice of revealing to offerors their interim evaluation ratings while discussions were still open. If there is a competitive range cut, this is the same information unsuccessful offerors would have received. For example, on the past performance ratings shared with offerors, the offerors are able to see the specific prior contracts that were rated, and the performance quality ratings and the relevancy ratings assigned. Offerors are not, however, given information that compared the respective offers to the government estimate. This technique provides important feedback to offerors and could affect/motivate the offerors to factor this into their strategy in submitting a final proposal revision.
Best Practice	Competitive Multiple Award Services Contract	Terms & Conditions	Solicitation included a Contract Line Item Number (CLIN) for "Management Reporting" for which offerors were to propose a firm fixed price (with a stated minimum value of $2,500). This CLIN is intended to fulfill the minimum order quantity as all successful offerors (IDIQ awardees) will use it to capture effort such as management reporting of small business subcontracting goals among other baseline contract tasks. This approach is one alternative to satifying the minimum order quantity by having the awardees bill for participation at a post award conference.
Best Practice	Competitive procurement of services	Source Selection	The Source Selection team prepared a comprehensive Interim Evaluation Report that recorded each area of concern for each offeror, detailed the offeror's response to the discussion question, their responses, and included the government's evaluation as a result of the exchange. The Peer Review Team (PRT) believes this is a best practice.
Best Practice	Logistical Services (Competitive)	Source Selection	The crosswalk, performed by the Source Selection Evaluation Board (SSEB) Chair, the contracting officer (CO) and the attorney advisor, afforded the source selection team (SST) to ensure that weaknesses identified for one offeror were equally applied to other offerors as appropriate, as was the converse. The SST was able to ensure that identified strengths were applied across the offerors as appropriate.

Best Practice	**Competitive Services Contract**	**Source Selection**	**Given that the offerors are each offering innovative and creative solutions for performance that will result in significant cost savings, the Peer Review Team (PRT) discussed ways to ensure such "promises" become a contract requirement. The PRT recommended the source selection team convey to the offerors a model contract to memorialize the unique commitments each offeror made either in their proposal or in the course of discussions. In this way, the offeror can be held accountable for these commitments (which in many cases led to the evaluation team attributing a "strength" to the offeror). However, in conveying the model contract, the source selection team should allow for the possibility that the offeror will come back and indicate that the model provides for more than what the offeror is willing to be held bound and in such case, the given term will revert to the solicitation requirement (which may negate a previously assigned "strength").**
Best Practice	**Competitive Multiple Award Services Contract**	**Source Selection**	**The discussion process, in part, is designed to ask questions and then expect the answers to be provided by the offeror during the process. The Peer Review Team (PRT) strongly recommends an approach whereby the responses to all discussion questions are received and reviewed prior to closing discussions. For the most part, Final Proposal Revisions (FPRs) should only be used to update prices. This approach will preclude questions that aren't fully answered following FPRs.**
Lesson Learned	**Competitive Multiple Award Services Contract**	**Source Selection**	**Solicitation required offerors to demonstrate they have an "adequate" accounting system as resultant contracts will include "cost plus" line items. There was at least one offeror that had limited experience with DoD as a major contractor and the source selection team (SST) was working with DCAA to determine whether the offeror's accounting system was indeed adequate. The Peer Review Team (PRT) noted that other agency's solicitations have been observed to require that offerors have an "approved" accounting system. LESSON LEARNED: It would appear that Request for Proposal (RFP) language using the term "adequate" is preferable to "approved," but the PRT noted that contracting officers across the Department would benefit by standard policy/guidance as to how to verify (with DCMA and DCAA) and evaluate such offerors that have little or no history with the Department.**
Lesson Learned	**Competitive Multiple Award Services Contract**	**Source Selection**	**Peer Review Team (PRT) noted that at least one offeror chose to submit past performance information on itself only (and not its subcontractors) while others submitted information for themselves and their proposed subcontractors. The solicitation afforded offerors this tactical choice. In one instance, it was noted that an offeror's past performance rating was potentially impacted by the fact that one of its proposed subcontractors had a yellow rating for its small business subcontracting factor. Given the fact an argument could be made that such a rating on a subcontractor should have a minimal impact on the prime contractor's overall past performance rating, the PRT suggested that future Request for Proposal (RFPs) of this nature might want to indicate in Section M that the Government intends to give more weight to the past performance of the prime contractor over its subcontractors' past performance information.**

Lesson Learned	**Competitive Services Contract**	**Source Selection**	**The source selection team told the Peer Review team that it had initially intended to use gradations of "strenths" in the proposal evaluation process-- “significant,” “exceptional,” and “outstanding” strengths. However, since the solicitation did not define these gradations of strengths, they were not able to use this scheme. That is not to say gradations of strengths could not be used; however, they would need to be defined in the solicitation. The Peer Review team noted that FAR 15.001 defines “weaknesses” and “significant weaknesses.” Although the DoD Source Selection Procedures defines “Strength,” it does not recognize the concept of a “significant strength.” The Peer Review team believes this issue merits consideration in any forthcoming revision to the DoD Source Selection Procedures. Here, the source selection team believed that they would have benefitted from having the ability to assign gradations of strengths in order to better differentiate between offerors and provide the SSA ability to make trade-offs.**
Lesson Learned	**Logistical Services (Competitive)**	**Source Selection**	**The Peer Review Team (PRT) noted that the Past Performance Team (PPT) used the Project on Government Oversight (POGO) as a source from which to point them to verifiable adverse past performance information. The PPT independently validated the information and considered actual convictions that were recent and relevant to the scope of effort to be awarded under this contract. Offerors were made aware of all adverse past performance information and afforded the opportunity to provide rebuttal statements.**
Lesson Learned	**Logistical Services (Competitive)**	**Source Selection**	**More than one offeror was deemed to have a "deficiency" in their proposal. However, the deficiencies were not identified during the initial proposal evaluation (IPE) and were not resolved in discussions. The source selection team (SST) had planned to have the offerors address the deficiencies in their final proposal revision. The Peer Review Team (PRT) recommended, rather, another round of discussions as these offerors might well have argued the discussions were not meaningful. As a lesson learned here, the source selection team could have done a better job during initial evaluations to identify deficiencies before the competitive range determination.**
Lesson Learned	**Competitive Services Contract**	**Source Selection**	**The Peer Review Team (PRT) discussed the fact that one offeror received an "unknown confidence" past performance rating because of a lack of past performance. The PRT suggested that the procuring activity go back and reconsider whether or not the language of the RFP allowed for offerors to receive "credit" in their past performance rating for the past performance of its proposed subcontractors. A Lesson Learned for future procurements is that Sections L and M should include express language to address the extent to which the evaluation will recognize proposed subcontractor's past performance, if at all.**

Lesson Learned	Competitive procurement of services	Source Selection	The contracting officer (CO) received notice that one offeror was proposed for debarment. Per FAR 9.405(a), contractors proposed for debarment are excluded from receiving contracts and agencies shall not solicit offers from or award contracts to such firms unless the agency head determines a compelling reason for such action. In consultation with counsel, the CO decided that since the proposed debarment was not yet resolved, it was inappropriate to hold discussions with the offeror. The CO decided to put the offeror "on hold" pending a final determination as to the debarment action. The CO notified the company that if a decision was made that the company would not be disbarred, discussions were still open, and there was a reasonable time to hold discussion with this offeror, then the Government would open discussions with this offeror. However, if the debarment issue was not resolved before the Government closed discussions, the offeror would not be considered for the competitive range and would be removed from the competition.
Recommendation	Competitive Multiple Award Services Contract	Pricing	Recommended additional discussions to address why one offeror proposed extremely low labor rates in several geographic areas. This raised doubts as to whether or not the offeror could actually provide the required subject matter experts in those regions.
Recommendation	Competitive Multiple Award Services Contract	Source Selection	Recommended additional discussions to address why one offeror proposed twice the amount of estimated hours as the government estimate.
Recommendation	Multiple Award Construction Contract	Source Selection	Recommendation to revisit evaluation of a small business subcontracting subfactor. The evaluation documents did not address differences among offers in the participation percentage of the various socio-economic groups. It appeared that the source selection team was uncertain as to how to evaluate given the fact the Request for Proposal (RFP) did not include explicit percentage goals against which offerors have been traditionally evaluated.
Recommendation	Multiple Award Construction Contract	Source Selection	Recommendation that the source selection team (SST) continue discussions to further resolve certain issues with offerors. The Peer Review Team (PRT) reminded the SST that "meaningful discussions" with each offeror does not require "rounds" of discussions that include all offerors. The PRT reminded the SST that discussions are still open and encouraged the SST to continue those discussions with offerors only as necessary.
Recommendation	Competitive Multiple Award Services Contract	Source Selection	Recommendation to include additional documentation to explain a "marginal" rating assigned to particular offeror. Despite the assertion by the source selection team (SST) that extensive deliberation over the rating took place, final written justification was inadequate.
Recommendation	Competitive Multiple Award Services Contract	Pricing	When evaluating indirect rates, contracting officers should use DCMA FPRAs when they exist. Absent FPRAs, contracting officers should use DCMA FPRRs to establish pre-negotiation objectives. During negotiations, contracting officers may deviate from FPRAs/FPRRs when there are solid reasons for doing so. If, for example the contracting officer is aware that there is more current data and the FPRR or FPRA does not accurately reflect the amount of direct labor hours proposed for a current action, which would make the allocation base too low or too high, the contracting officer should discuss with the DCMA CACO or DACO as exceptions. The contracting officer needs to document the rationale for the exceptions in the negotiation memorandum.
Recommendation	Competitive Multiple Award Services Contract	Source Selection	Recommendation to go back and as a point of discussion, call attention to the fact a particular offeror had included fee on proposed travel cost (contrary to the instructions in the Request for Proposal (RFP)). The source selection team had intended to deal with the issue by making a downward cost realism adjustment to the offeror's proposed price.

Recommendation	Competitive Multiple Award Services Contract	Pricing	Regarding the manner in which the source selection team (SST) addressed one offeror that had been flagged by DCAA as proposing rates the offeror was likely to exceed in actual performance: noted that rates were approved by DCMA. In discussions, the SST secured assurance from this offeror that they would be willing to agree to ceiling amounts for their overhead rates. The peer review team suggested that, instead, this situation could be addressed with a cost realism adjustment to the offeror's evaluated/probable cost. The PRT recommended a more detailed legal analysis as to whether it would be appropriate to establish such a ceiling agreement for one offeror, particularly given the fact that some Contract Line Item Number (CLINs) will be cost reimbursable.
Recommendation	Competitive procurement of services	Source Selection	The acquiring activity used a Performance Price Tradeoff (PPT), which is a simplified best value source selection strategy that permits a trade-off between price and performance in reaching an award decision. It appears to the Peer Review Team (PRT) that the procuring activity did an extraordinary amount of work using the PPT process but in the end, came up with the same results as they would have if the source selection had been done using a Lowest Price Technically Acceptable (LPTA) best value approach.
Recommendation	Weapon System, Production Lot Buy (Sole Source)	Pricing	Recommended that the team (preparing to negotiate the undefinitized contract action) conduct a thorough assessment of the prime contractor's actual costs incurred to date in relation to the milestone schedule established for interim performance based payments.
Recommendation	Weapon System, Production Lot Buy (Sole Source)	Pricing	Recommended that the team (preparing to negotiate the undefinitized contract action) secure actual historical costs on the last 3 or 4 production lot buys directly from the major subcontractors. This approach is required because of the inadequate presentation and evaluation by the prime contractor. Suppliers' actual cost data deemed to be essential to gain confidence that there is a correlation between how these subcontractors actually performed in relation to what was negotiated with the prime contractor. Recommendation was not to secure this data via a new proposal from the prime, but rather directly from the subcontractors and deal with the matter at the negotiation table.
Recommendation	Weapon System, Production Lot Buy (Sole Source)	Pricing	Recommended that the team (preparing to negotiate the undefinitized contract action) coordinate with DCMA to fully understand the analysis of the prime contractor's labor and overhead rates and consult with DCAA to understand the currency of the base projections.
Recommendation	Competitive Services IDIQ	Source Selection	The Request for Proposal (RFP) indicated that initial task orders would be awarded in conjunction with the Indefinite Delivery/Indefinite Quantity (ID/IQ) contract award. The PRT expessed concern about the evaluation team merging the selection process for the ID/IQ contract with the task order selection process into one combined evaluation. It is important to clearly show that there are two separate decision processes, one to select the ID/IQ awardees and a second to select the awardee for the initial task order. The PRT noted that the evaluation team prepared one Proposal Analysis Report (PAR) that contained discussion of both the ID/IQ evaluation and the task order evaluation. This included documentation of the evaluation notices (ENs) mixed together. The PRT recommended that one PAR be prepared to address the ID/IQ contract, and a second PAR be prepared to address the Request for Task Order Proposal (RFTOP) selection process. The PRT recommended a Source Selection Decision Document (SSDD) be prepared for the ID/IQ source selection, and that a separate Best Value Decision (BVD) document and SSDD be prepared for the task order.

Recommendation	**Competitive Multiple Award Services Contract**	**Source Selection**	**Prior to issuing Requests for Final Proposal Revisions (FPR), all Evaluation Notices (EN) must be evaluated, completed, and documented. The technical, past performance, and cost Source Selection Evaluation Board (SSEB) reports need to be written to document the evaluation results to date. The SSEB team, not just the leadership, needs to evaluate the EN responses and reach a consensus.**
Recommendation	**Competitive Services Contract**	**Incentive and Award Fee**	**The planned contract structure provides for a Cost-Plus-Incentive-Fee (CPIF) arrangement with incentives only relating to cost. The Peer Review Team (PRT) recommends incentivizing schedule and/or technical performance as well as cost. The negotiated incentive arrangement could take into account the contractor's projected cash flow.**
Recommendation	**Competitive Services Contract**	**Terms & Conditions**	**The proposed Contract Line Item Number (CLIN) structure of the contract, while commendably facilitating competition, may require re-alignment of engineering hours in the event only the incumbent submits a proposal.**
Recommendation	**Competitive Services Contract**	**Pricing**	**The Peer Review Team (PRT) recommends that information be obtained from the offeror to understand whether the proposed effort has been included in the contractor's base projections. In addition, the PRT recommends additional information be obtained to understand the historical difference between the contractor's proposed and its actual rates, and DCMA and DCAA recommended rates compared to the contractor's actual rates. Although the DCMA may have accounted for the difference in their analysis, it is important that the Procuring Contracting Officer (PCO) also understand the history of the contractor's estimating accuracy and factor that into the negotiation objective.**
Recommendation	**Competitive Services Contract**	**Pricing**	**The Peer Review Team (PRT) recommended that the Government seek to establish an arrangement limiting bid and proposal (B&P) costs associated with submitting order proposals. Also, from a negotiation perspective, have B&P be a pass-thru cost, where contractor profit is not added.**
Recommendation	**Non-Competitive Weapon System**	**Terms & Conditions**	**In accordance with FAR 9.103, the Contracting Officer must document an affirmative determination of the contractor's responsibility prior to contract award. Except for contractor business system status in the PNM, nothing in the documents reviewed by the peer review team indicated such a decision was made (which considered all the criteria in FAR 9.104).**
Recommendation	**Non-Competitive Weapon System**	**Pricing**	**Regarding Uncompensated Overtime and Subcontract Hours in Level of Effort (LOE) Hours, the Peer Review Team (PRT) recommended that the contracting officer (CO) review the solicitation language to verify that the direction is clear that uncompensated hours (for salaried employees) over 40 hours a week will not be included in the LOE computation. Likewise, the PRT recommended the CO review the language to verify it is also clear that subcontract hours are not included in the LOE hour limitation (or wrap rate for fee purposes).**
Recommendation	**Non-Competitive Weapon System**	**Pricing**	**The contracting officer (CO) converted proposed calendar year rates into Government Fiscal Year rates for use in negotiation. The Peer Review Team (PRT) recommended that the CO set forth a clear trail in the post-negotiation memorandum so that is readily apparent to DCAA what information was relied on in negotiation, should they choose to conduct a post-award review for defective pricing.**

Recommendation	Non-Competitive Weapon System	Incentive and Award Fee	The Peer Review Team (PRT) recommended the contracting officer ensure that cost is not considered in both incentive fee and award fee, that maximum use of objective criteria be used to develop award fee criteria whenever possible, and that performance incentives are duplicated in the award fee criteria. Although the draft award fee plan incorporates some objective measure, there is still much vagueness in the wording and more measures of processes than outcomes.
Recommendation	Non-Competitive Weapon System	Incentive and Award Fee	The amount or percent allocated for each performance incentive event should be gradual in nature, so the fees are not front-loaded and ample fee is left through contract completion. In addition, clear definition of success for all events must be communicated to the contractor. For example, the definition for exit and entrance criteria and what comprises an IPR (In Process Review) was not noted in the attachment referred to in the solicitation. Likewise, we recommend the Contracting Officer consider whether performing an IBR with 180 days, which is required by DFARS Clause 252.234-7002(e), should be part of any performance incentive. If it is, the resulting fee percent allocated to it, should be minimal and the criteria for successful completion clearly spelled out in the resulting contract (as currently, the information relating to the IBR is scant).
Recommendation	Non-Competitive Weapon System	Terms & Conditions	The Earned Value Management (EVM) system adequacy had not been determined by DCMA for the contractor's division where the contracted effort will be performed. DFARS clause 252.234-7001 and 7002 requires an approved system or if not yet approved, for the contractor to provide a plan for approval and to take necessary actions to meet the plan milestones. If the system is not approved, meeting the plan milestones could be used as an award fee criteria element.
Recommendation	Competitive IDIQ	Source Selection	The Peer Review Team (PRT) suggested ensuring Past Performance documentation indicates whether or not results were checked for recency.
Recommendation	Logistical Services (Competitive)	Source Selection	The Peer Review Team (PRT) noted that there is no documentation to substantiate how weaknesses and significant weaknesses that were identified initially were resolved through the course of discussions. The only apparent record of how the weaknesses were resolved is one word on the Consensus Interim Evaluation Reports (CIER) in the "Rationale" section for each items for discussion (IFD) that says, "Acceptable." Recommend that in the course of preparing the final evaluation reports, the record include a brief narrative that explains how the weaknesses, at the very least, significant weaknesses were resolved.
Recommendation	Competitive IQC	Source Selection	Each offeror was requested to submit specific number of contracts with relevant past performance. The evaluation team did not search to see if there were other relevant contracts for each offeror, and hence other relevant past performance information. Recommend such a search to validate the information the offerors provided is an accurate representation of their overall relevant past performance.
Recommendation	Commodity (Competitive)	Source Selection	Final Proposal Revision (FPR) letters should ensure that the approvals for exceptions to the specifications and terms and conditions are communicated to all offerors.
Recommendation	Competitive Multiple Award Services Contract	Source Selection	Per FAR 15.306(d)(3), the contracting officer (CO) is encouraged to discuss other aspects of the offeror's proposal that could, in the opinion of the CO be altered or explained to enhance materially the proposal's potential for award. The FAR removed the prohibition on technical leveling and in fact, FAR 15.306(d)(3) states that the CO must discuss deficiencies, significant weaknesses and adverse past performance information to which the offeror has not yet had a chance to respond.

Recommendation	Competitive Multiple Award Services Contract	Source Selection	In all of the documentation (SSAC Report, and POM/PNM), when price is being discussed in the summary section and price is the least important of the factors, recommend that you amplify/reinforce the documentation with this fact and that actual prices and cost to the government will be determined at the task order level.
Recommendation	Competitive Multiple Award Services Contract	Pricing	The Peer Review Team (PRT) expressed concern regarding the pricing aspect of the evaluation. Price being the least important factor was not the determinative factor in the source selection process. There was a large difference between the lowest offeror and the highest offeror. According to section M, price reasonableness would be evaluated. The PRT did not feel adequate analysis had been done to address the large dollar difference between the highest and lowest offeror and accordingly, price reasonableness of the highest offer was not demonstrated.
Recommendation	Competitive Multiple Award Services Contract	Source Selection	The Peer Review Team (PRT) recommended not using the term 'clarification' in the competitive range letters. The competitive range letters are really elements of discussion. Per FAR 15.306, "Clarifications are limited exchanges, between the Government and offerors that may occur when award without discussions is contemplated."
Recommendation	Competitive Multiple-Award IDIQ Supplies Contract	Source Selection	Ensure each weakness, significant weakness or deficiency identified in the factor evaluation and subsidiary individual evaluations has an item for discussion (IFD) issued that identifies the weakness, significant weakness, or deficiency.
Recommendation	Competitive Multiple-Award Services Contract	Source Selection	Evaluators assessed 'experience' as well as 'past performance' in the past performance evaluation. As it stands, this part of the evaluation is flawed. In lieu of using a neutral past performance rating, some offerors were downgraded in past performance for lack of experience or relevant experience. Section M does not indicate that experience will be rated as a factor or provide thresholds for the evaluation of experience.
Recommendation	Non-Competitive Supplies Contract	Pricing	The Peer Review Team (PRT) suggested the procuring activity use the cash flow model, available on the DPAP website, to better understand the value of the cash flow to the contractor and for the purpose of understanding their negotiating position.
Recommendation	Competitive procurement of services	Source Selection	Following discussions and at the time of review, several proposals were still rated "unacceptable." The program team believes these proposals could be made acceptable. The Peer Review Team (PRT) suggested informing those vendors of their rating prior to requesting submission of final proposal revisions.
Recommendation	Competitive procurement of services	Source Selection	The Source Selection Authority (SSA) determined that an offeror previously excluded by the Source Selection Evaluation Board (SSEB) should be considered for award. While the Peer Review Team (PRT) takes no issue with this course of action, it does recommend that the basis for this decision be thoroughly documented.
Recommendation	Non-Competitive Weapon System	Pricing	The Contracting Officer prepared the pre-negotiation objective using cost estimating relationships that were reviewed by DCAA or DCMA. We recommend that the Contracting Officer periodically test the relationships between the parameters in a given cost estimating relationship to determine whether correlation between the parameters continues to exist, especially those that have not been reviewed by DCAA (e.g., the travel factor).