

Best Practices/Lessons Learned for Competitive Acquisitions



**Office of the Principal Director,
Defense Pricing and Contracting**

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**Version 1.2 adds "Indefinite Delivery/Indefinite Quantity (ID/IQ) Acquisition Planning" to Version 1.1., published August 5, 2022"*

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Introduction

The purpose of this document is to collect and share best practices applicable to large dollar, competitive acquisitions with Contracting Officers (COs) and acquisition teams across the Department of Defense (DoD) workforce. The information in this document is largely generated through the Office of Secretary of Defense's Peer Review Program. The Peer Review Program embodies a world-class practice where senior leaders review and advise on the most important enterprise investment decisions. Such reviews of major procurements throughout the negotiation process ensure the sharing of lessons learned and best practices, consistency of implementing policies and regulations, and improvement of the quality of Departmental contracting processes.

This is a living document: new practices will be added intermittently and existing practices may be refined as needed. It is anticipated that not only COs and acquisition teams participating in competitive acquisitions subject to Peer Review at the Office of the Secretary of Defense (OSD) level, but also those planning competitive acquisitions below the OSD level will review this document to identify applicable considerations as the acquisition strategy is developed, and throughout the process of Request for Proposal (RFP) issuance, proposal evaluation negotiations, and source selection.

You, the practitioners applying your skills, experience, and ingenuity to solving the challenging issues facing contracting professionals every day, are a great source of best practices. If you have developed an effective or innovative approach to that can be of benefit to other DoD contracting officers, please feel free to submit your best practice by emailing it to osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil.

Solicitation Evaluation Simplicity and Consistency

Best Practice – Evaluate only those performance/specification requirements that will determine the superior offeror. Ensure consistency between the statement of work, specification, performance requirement, and entire solicitation.

Lessons Learned

- Think simplicity.
 - Numerous, complicated evaluation criteria introduce risk and add time the evaluation.
 - It isn't necessary to evaluate everything; only consider items the source selection authority and program office think will make a difference in who wins the competition.
 - The winning offeror must deliver a product/service that meets the entire requirement, not just the criteria evaluated.
- Ensure consistency across the entire solicitation, including the statement of requirements/work, deliverables (including data), proposal requirements (Section L), and evaluation criteria (Section M). Complex requirements are written by teams and the various sections (e.g. technical, finance, logistics, Section H) may not coincide with each other.
 - Have someone who was not involved in writing the requirement but is knowledgeable in the topic read it for consistency. Do the same for the rest of the Request for Proposal to ensure structure and content are consistent (e.g. Contract Line Item Numbers (CLINs), Section H, deliverables, data).
- Resist changing Sections L and M and the allowable page count in Section L after release of the solicitation. Any change could imply favoritism toward an offeror. If a change must be made, document the rationale in a Memorandum for the Record. Be transparent with offerors regarding the change.
- Ensure source selection criteria reflect only requirements the Source Selection Authority and Program Manager believe will be discriminators in the source selection. It is not necessary to evaluate all elements of the requirement.
 - For example, if buying an armored car, you might evaluate only ballistic characteristics and not evaluate steering and braking systems (especially if all anticipated offerors are automobile manufacturers). However, in execution, all steering and braking system requirements must still be met.

Prior to Release of Solicitation

- The government should develop a cross reference matrix requiring offerors' to crosswalk CLINs, Contract Data Requirements Lists (CDRLs), the Statement of Work paragraphs, Sections L and M, and Work Breakdown Structure (WBS) references. This crosswalk can be used as a tool during negotiations to ensure all requirements are accounted for in an offerors' proposal and to track requirements across offerors, if negotiations are required.
- Consider using the Defense Acquisition University (DAU) "Traceability Matrix" tool (built in Sharepoint).
- Directing offerors in Section L to develop a cross reference matrix individually will result in each having a different format and make the evaluation difficult.

Evaluation and/or Negotiations and Award

- Conduct discussions. There is no perfect proposal. Both parties benefit from the exchange. Not holding discussions creates a huge protest risk and increases the possibility that the contract will contain ambiguities or not completely satisfy the requirements.
- Use the government provided cross reference matrix to evaluate the offerors proposals and double check the thoroughness of their offers.
- Evaluate offerors in accordance with Section M.
- If oral proposals are allowed, the government should consider 1) taping the offer, 2) having the taped offer transcribed, and 3) offering the offeror the opportunity to review and validate the recording and transcription.

Proposal Updates

Best Practice – Always solicit proposal updates from offerors to document evaluation notice exchanges and discussions prior to establishing a competitive range or award decision.

Lessons Learned

It is high risk to request the submission of final proposals without first obtaining and evaluating proposal updates incorporating the results of offeror and government discussions.

Evaluation and/or Negotiations and Source Selection Decision

- Obtaining and reviewing proposal revisions prior to requesting Final Proposal Revision (FPR) will increase the probability the offeror and government will both have the same understanding of the results of discussions. This decreases the risk of the final proposals containing issues, which may require additional discussion and a second FPR.
- Getting proposal updates prior to requesting FPR doesn't have to delay award. Communicate to offerors your plan to ensure the updates reflect discussions, then ask for the FPR with a quick turnaround.

Proposal Strengths

Best Practice – Evaluating proposal strengths should be done separately from, but complement, adjectival ratings. First determine the proposal is acceptable, then, if strengths are identified, use them to support a rating greater than acceptable.

Lessons Learned

- The Government Accountability Office (GAO) has routinely separated the analysis of strengths and adjectival ratings (*See, e.g., WellPoint Military Care Corporation*, B-415222.5, May 2, 2019, 2019 CPD ¶ 168 at 9). In *Wackenhut Services, Inc.*, GAO rejected a protestors argument that a mathematical number of strengths should inform the

agency's evaluation ratings (B-400240, Sept. 8, 2008, 2008 CPD ¶ 184 at 8). When proposals are compared for purposes of tradeoff, the number of strengths is also not dispositive (*FFLPro, LLC*, B-411427.2, Sept. 22, 2015, 2015 CPD ¶ 15). Rather, the source selection authority should consider the qualitative information underlying the strengths and ratings (*Id.*). Ultimately, the evaluation ratings and strengths assigned are mere guidepost that inform the source selection authority's decision (*CEdge Software Consultants, LLC*, B-418218.3, March 19, 2020, 2020 CPD ¶ 127 at 6). Therefore, the strengths do not correlate to the adjectival ratings, but for the minimum number of strengths required to be considered for the two highest adjectival ratings provided in the DoD Source Selection Procedures (SSP).

- Do not use the number of strengths to calculate an adjectival rating for an offeror unless the resultant evaluation concludes either a good or outstanding rating (absent strengths). The evaluation should set strengths aside and first determine if each proposal is acceptable (i.e. indicating an adequate approach and understanding of the requirement (per the DoD SSP)). If the determination is affirmative, then strengths are required for ratings of good or outstanding.

Prior to Release of Solicitation

- The Request for Proposal should state, "strengths identified in the successful offerors proposal will be incorporated in the resultant contract, if appropriate." Strengths based on better required performance with a determinative metric should be included, however, strengths based on a process should not be incorporated into the contract, unless the process results in a measurable increase in contract performance.
 - The successful offeror must meet the requirement regardless of whether the proposed processes work. Including a proposed process in the SOW makes it a Government requirement and if, in execution, it does not result in a product that meets the requirement, the PCO must issue a change to the contract. This change may increase the price of the contract, despite that the process was proposed by the offeror.

Evaluation and/or Negotiations and Source Selection Decision

- Prior to the FPR, notify offerors of strengths the government has identified. Notification of those strengths should occur before the FPR to ensure offerors retain those strengths in their final proposals.
- The CO should request that proposal updates at FPR (or during evaluation and/or negotiations) provide proposed contract change pages that incorporate the strength(s), (including acceptance and performance criteria).
- Program offices should assess how identified strengths will be accepted or assessed for successful performance and address that requirement.
- Include in the awarded contract identified strengths, and how the government will determine successful performance. Ensure the contractor is aware of and agrees to this requirement.
- Require the offeror to submit a complete copy of the contract incorporating identified strengths and all discussion topics addressed prior to FPR. When doing so, make clear

the intention is to ensure strengths have been properly documented and, once completed, the FPR will be requested with a 24-hour turn around. If there is an issue, fixing it does not require requesting another round of FPRs and the process adds little or no time to the schedule.

Independence of the Source Selection Boards, Council and Authority

Best Practice – The Source Selection Evaluation Board (SSEB), Source Selection Advisory Council (SSAC) and Source Selection Authority (SSA) should conduct independent evaluations.

Lessons Learned

- Reviews by SSEB, SSAC and SSA should be separate, independent evaluation events in the source selection evaluation process.
 - The SSEB, SSAC and SSA should work as a team and have effective communication throughout the source selection process; the exchange of opinions can help each to form its own conclusions about a proposal.
 - However, the SSEB, SSAC and SSA should independently determine their own conclusions about each proposal evaluation and the appropriate ratings. Once the Source Selection Plan and evaluation criteria are approved, neither the SSAC nor the SSA should direct the SSEB how to evaluate a proposal, whether an aspect of a proposal is a strength, weakness, or deficiency, or the appropriate ratings for a proposal. Similarly, the SSA should not direct the SSEB on how its ratings are determined.
- The SSAC should rely on the evaluation conducted by the SSEB but apply their independent judgment in their analysis and recommendations.
- Likewise, the SSA should rely on the evaluation conducted by the SSEB and SSAC but apply independent judgment and document it in the Source Selection Decision Document (SSDD).

The SSAC does not need to agree with the SSEB, nor does the SSA need to agree with either the SSEB or the SSAC. If there is disagreement, the SSAC report and the SSDD, as necessary, must be clear on the disagreement. If there is agreement, it is appropriate for the SSAC report and the SSDD to so note and adopt the SSEB and/or the SSAC report as their own. In this case, the SSAC report or SSDD must also document that the conclusions or recommendations were reached independently by a review of the available documentation.

Failure to maintain independent judgment increases protest risk for process inconsistency and inaccurate source selection decision documents.

Incentives

Best Practice – Use incentives when there are clear, measurable performance metrics or critical dates that are important to the program.

Lessons Learned

- Incentives work: On the plus side they focus contractors on what the program considers most important. On the down side, they may cause contractors to pay less attention to the areas that aren't incentivized.
- Incentives need to be achievable. Contractors will only focus on achieving an incentive as long as they believe it is achievable.
- Schedule incentives are a two edged sword and their interaction with contract type is important. If achievable and in a fixed price contract, they work well. If used in a cost type contract, they may cause the contractor to chase the schedule and ignore costs.
- Consider the use of incentives. Discussion should include whether or not performance beyond the specification requirements is of value to the warfighter and whether simply changing the specification based on offers or the use of incentives is the better option.
- Consider the effects schedule, technical and cost incentives have on each other. Contract type makes a huge difference in developing incentives.
- Consider whether the proposal describes how the offeror will achieve the aspects of the contract that are being incentivized. Consider whether the offeror's efforts to achieve the incentives will result in reduced performance other areas of the contract.

Aggregated (Roll-up) Ratings

Best Practice – Ensure the solicitation is clear on the use of aggregate (roll-up) ratings.

Lessons Learned

- The source selection team should determine whether a source selection evaluation approach which includes aggregated ratings at the factor level will result in a more accurate source selection decision than if the evaluation considers ratings only at the sub-factor level.
- If roll-up ratings are used, the Sections L and M must clearly articulate how the subfactor ratings will be rolled up into the overall rating at the factor level.
- Use of roll-up ratings is not a mathematical equation. An evaluation which is applied in a mathematical manner can create an appearance that the evaluation did not follow the stated order of importance articulated in Section M. The decision can be vulnerable to successful protest for inadequate recommendations, trade-off analyses, documentation, and justification for the selection decision.
- If roll-up ratings are used, source selection documentation should clearly explain the subjective logic that documents consistency with the Section M evaluation criteria.

- If roll-up ratings are not used, then source selection decision documentation needs to be clear on how the overall decision was made by looking at the stand alone subfactor ratings. As with roll-up ratings, use of mathematical formulas may invite a protest.

Indefinite Delivery/Indefinite Quantity (ID/IQ) Acquisition Planning

Best Practice – Consider alternative contract approaches before defining the scope and use of an Indefinite Delivery/Indefinite Quantity (ID/IQ) approach.

Lessons Learned

- Large multiple award ID/IQ contracts, especially for advisory and assistance services, can be difficult to evaluate, award and administer. This acquisition strategy often takes several years from Request for Proposal (RFP) release to contract award. Task order (TO) competitions often resemble “C” type contract awards from a complexity perspective. Potential alternatives: 1) Consider multiple competitions for “C” type contracts, OR 2) streamline award of ID/IQ contracts by awarding to all qualified offerors, including those that can provide only a subset of required capabilities.
- Often prime contractors establish large teams with many subcontractors (subs) who are capable of meeting all the broad disparate requirements included in a large multiple award ID/IQ solicitation.
 - Since TOs usually are for a small segment of the entire ID/IQ contract requirement (that one of the subs will execute) agencies often pay additional prime contractor pass-through costs.
 - Prime contractors often select subs who are less expensive and likely not as “robust” as others in that sub’s business lane, which may result in the government getting less value for its money. As a result, the more competent vendors do not have an opportunity to bid on complex agency requirements.
 - While many subs will be small businesses, this large ID/IQ approach usually ensures there will be no prime small businesses.

Potential alternatives: To obtain competition from small business prime contractors and better qualified, but more expensive contractors, 1) break down requirement to enable multiple, smaller ID/IQ awards, OR 2) award contracts to offerors that can provide only a subset of required capabilities.

- Experience shows most large, broad requirement multiple award ID/IQ competitions result in protests. Not only does this add to the award process time, but often results in awarding contracts to each protestor. As an example, when the RFP says five awards will be made and eight companies make offers, protests may result in all eight offerors being provided contracts. The exception is when a losing offeror is found not technically capable of doing the work rather than capable, but not price competitive.

Potential alternatives: Award to all qualified offerors.

- Putting large ID/IQ contracts in place is often chosen as a time saving approach. This may be accurate for single award IDIQs, but may not be accurate when there are multiple awards,

because every TO needs to be competed or a J&A written to justify a sole source TO award. Multiple award TO competitions are every bit as complex as a “C” type contract competition and may take just as long to do. There are no shortcuts to the competitive process provided within the aegis of a multiple award ID/IQ. The one advantage is the number of offerors eligible to make an offer on a TO is limited to the holders of the ID/IQ. The disadvantage is the more competent small businesses who could do the TO work as a prime (but are not on the ID/IQ team) are excluded from the competition.

Potential alternatives: To obtain competition from small business prime contractors and better qualified, but more expensive contractors, consider breaking down requirement to enable multiple, smaller ID/IQ awards or multiple competitions for “C” type contracts.

- A large ID/IQ contract approach may allow agencies to defer requirement planning from when the contract is competed until the TO process when there is a real requirement with appropriate funds. However, it will pay dividends to do detailed requirements planning (to include financial planning) up front before the contract is competed. This early requirement planning may reveal that contracting methods other than a large ID/IQ are a better approach. If an agency has ten disparate requirements, rather than including them all in a single ID/IQ, good requirements planning that includes funding availability may show there are only eight actual requirements with planned funds. This would enable the agency to put eight “C” contracts in place or multiple smaller ID/IQ contracts rather than doing one larger ID/IQ competition and then doing eight TO competitions. These other approaches may have several advantages, which includes allowing those companies who are really in that specific line of business to compete directly on the more focused effort. Having these companies as primes would eliminate the pass-through cost that would be added if they performed the effort as a sub. It may also allow for more small business primes. Finally, it will take less time to satisfy the Government’s needs.

Acronyms

CDRLs	Contract Data Requirements Lists
CLINs	Contract Line Item Numbers
COs	Contracting Officers
DAU	Defense Acquisition University
DoD	Department of Defense
FPR	Final Proposal Revision
OSD	Office of the Secretary of Defense
RFP	Request for Proposal
SSAC	Source Selection Advisory Council
SSA	Source Selection Authority
SSDD	Source Selection Decision Document
SSEB	Source Selection Evaluation Board
SSP	Source Selection Procedures
WBS	Work Breakdown Structure