

MILCON TRANSFORMATION



US Army Corps
of Engineers®

MT Model RFP Evaluation Guide

Draft Final Guide
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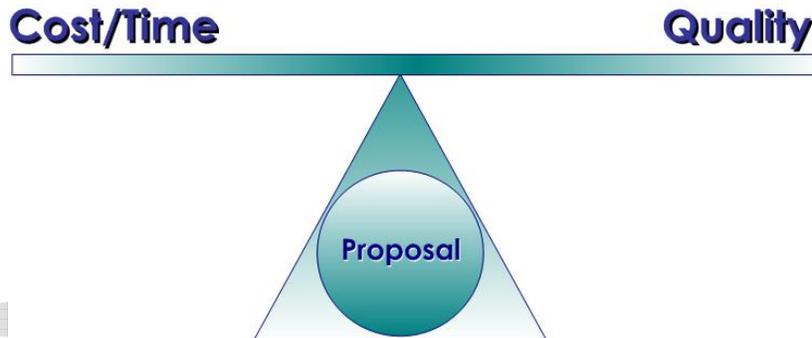


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1.0 Introduction

1.1 Purpose

The purpose of the RFP Evaluation Guide is to provide mandatory guidance for the Project Development Team (PDT) as they proceed through the solicitation process. A significant change to the acquisition approach with MILCON Transformation is that the Transformation time and budget goals have already been met within the RFP. While the opportunity for further savings in time and cost are possible through competition, the primary variable in the time-quality-cost triangle is quality. The intent of MILCON Transformation is to maximize the project quality within the performance time and budget constraints. A more detailed explanation of the MILCON Transformation program objectives and the genesis of the Model RFP can be found in the RFP Implementation Guide.

The primary changes from what the Corps' has historically used for the design-build acquisition process is the change to two-phase procurement, the use of performance specifications rather than providing partial designs or prescriptive criterion, the de-emphasis of cost as an evaluation factor, and the establishment of fixed evaluation factors.

1.2 Two-Phase Design-Build

The Model RFP is procured, in general, using conventional source selection procedures. Source selection is the process used in competitive, negotiated contracting to select the proposal expected to result in the best value to the Government. The source selection process for Transformation projects consists of two phases. In Phase 1, the Offeror submits qualifications, experience, and past performance information from which the Government will short-list the most highly qualified firms to submit technical proposals under Phase 2 of the solicitation. It is anticipated that Phase 1 of the solicitation will occur early in the acquisition process, concurrent with preparation of the technical requirements of the solicitation.

So you might ask, "Why are we using the two phase design-build acquisition method?"

First off, because it parallels industry practices. The intent of the initial Transformation acquisition approach is to parallel industry design-build processes to the maximum extent possible and to standardize the way that USACE Districts acquire and execute design-build contracts. This will reduce costs for acquisition of the BCT type facilities, which are very common building types and are similar to those found outside the military installations. The industry typically uses a two-phase short-listing procedure to reduce overall cost to the industry, which also increases the quality of the competition.

Secondly, it increases interest and competition and attracts new MILCON design-build participants. We are trying to attract more competition as well as non-traditional contractors in addition to those that traditionally perform military construction work. The two phase method has been demonstrated to increase interest and competition for MILCON and other design-build construction work beginning with the first USACE application of the two-phase method by Tulsa District at Tinker Air Force Base, OK in 1997.

Using a two phased approach reduces industry cost. Phase one proposals are a relatively inexpensive investment for a firm to determine if they have a good chance for award. Design-build competitions cost the industry a lot of money. The uniform model RFP Phase 1 proposal

can also be largely reused for other RFP's and for other Districts. Firms will concentrate their bidding and proposals on projects where they think that they have a competitive advantage and a good chance for award. The Transformation program is attractive work because it offers many advantages. The program is large. The repetitive facility types offer an opportunity to repeat and refine successful designs. The RFP's are performance based, allowing for industry innovation and are attractive to firms that have good experience in similar facility types. We want to attract better firms, and those firms are particular about the projects that they want to compete on. They will evaluate their chances of award before investing in a design proposal. They do not want to compete against an unknown "universe." In earlier one-step projects, there were as many as 16 offerors preparing design proposals, costing hundreds of thousands of dollars to compete. They have learned not to do this because it is too high of a financial risk. The industry has stated that they prefer the two-phase process since they can find out early, before investing in a design proposal, whether they are considered one of the most highly qualified firms.

The two-phase process reduces Government source selection expenses. Short-listing will reduce the time and resources required to evaluate design proposals, which can typically take longer than reviewing Phase 1 proposals. Since we establish the maximum number of phase two proposals, we eliminate the expense of evaluating a large number of proposals.

The two-phase process improves the quality of proposals and teams. Firms are more willing to invest in a quality design proposal when they know the odds of award. Better teams are established in Phase 1 when there is increased (Phase 1) competition.

The expectation is that the schedule will be no longer than a single-step process. The first phase should be conducted concurrently with District preparation of the Phase 2 RFP. This should not add, but reduce time in the overall schedule in comparison with a conventional one step design-build acquisition method.

Other Government agencies use the two-phase process. The DOD is the only agency currently specifically authorized by statute to use one step for MILCON. This is authorized by 10 USC 2862. Other agencies are *required* to use the two-phase method, thus their contracting community is familiar with the process, potentially increasing the contractor base for MILCON.

The increased competition and quality of design proposals and teams justifies some additional effort by source selection boards and contracting offices to perform the Phase 1 evaluations with no overall addition to the acquisition schedule or life cycle time.

1.3 Performance Based Criteria

One of the significant changes that has been adopted as a result of MILCON Transformation is a change from highly prescriptive design criteria to predominately performance based design criteria. This was driven by the objective to better align the Corps project delivery system with procedures commonly used in the private sector. A private sector RFP is typically very performance based. In this manner the contractor is only told what the facility must do (performance criteria), not how to do it (prescriptive). This leaves creativity and innovation open to the contractor – thus allowing for greater cost and time savings.

Prescriptive requirements can be legitimate for a design-build procurement, but they are to be reduced to the maximum practicable extent. This change will dramatically affect the appearance and content of the proposals. The historically prescriptive requirements resulted in

very detailed technical proposals to demonstrate that the criteria had been met. The new performance criteria will result in design solutions that are only developed to conceptual levels that have a small number of drawings. The various design details are generally simply explained through narrative descriptions. As a result, the technical evaluation of the proposals is much simpler and thus much quicker since the reviewer does not have to assess a large quantity of information and details.

1.4 De-Emphasis of Cost

While cost is a factor in the Model RFP evaluation, it is only more important than the factor “previous utilization of small business concerns.” Every other factor by itself is more important than cost. At the end of the evaluation process, the trade-off process will involve a comparison of the combination of non-cost strengths, weaknesses, and risks and cost/price offered in each proposal and judgment as to which provides the best combination. Again, the emphasis is on maximizing the quality the Offeror can provide within the cost constraint. The part of the rationale for this approach is that 20% cost reduction has already been taken from these projects during programming. To encourage further cost reduction, will likely result in projects that do not meet our quality expectations.

The past approach to cost evaluation, in a Best Value procurement, is perceived by the contractor community as effectively lowest price technically acceptable approach. The reason for this perception is that typical evaluation criteria states that “cost is equal to all other factors combined.” Therefore by mathematical definition cost would have to be the most important factor.

To encourage Offerors to put their innovation into quality and functional enhancements, the cost factor has been significantly reduced in importance, although it is still a significant evaluation factor in accordance with law and regulation.

1.5 Fixed Evaluation Factors

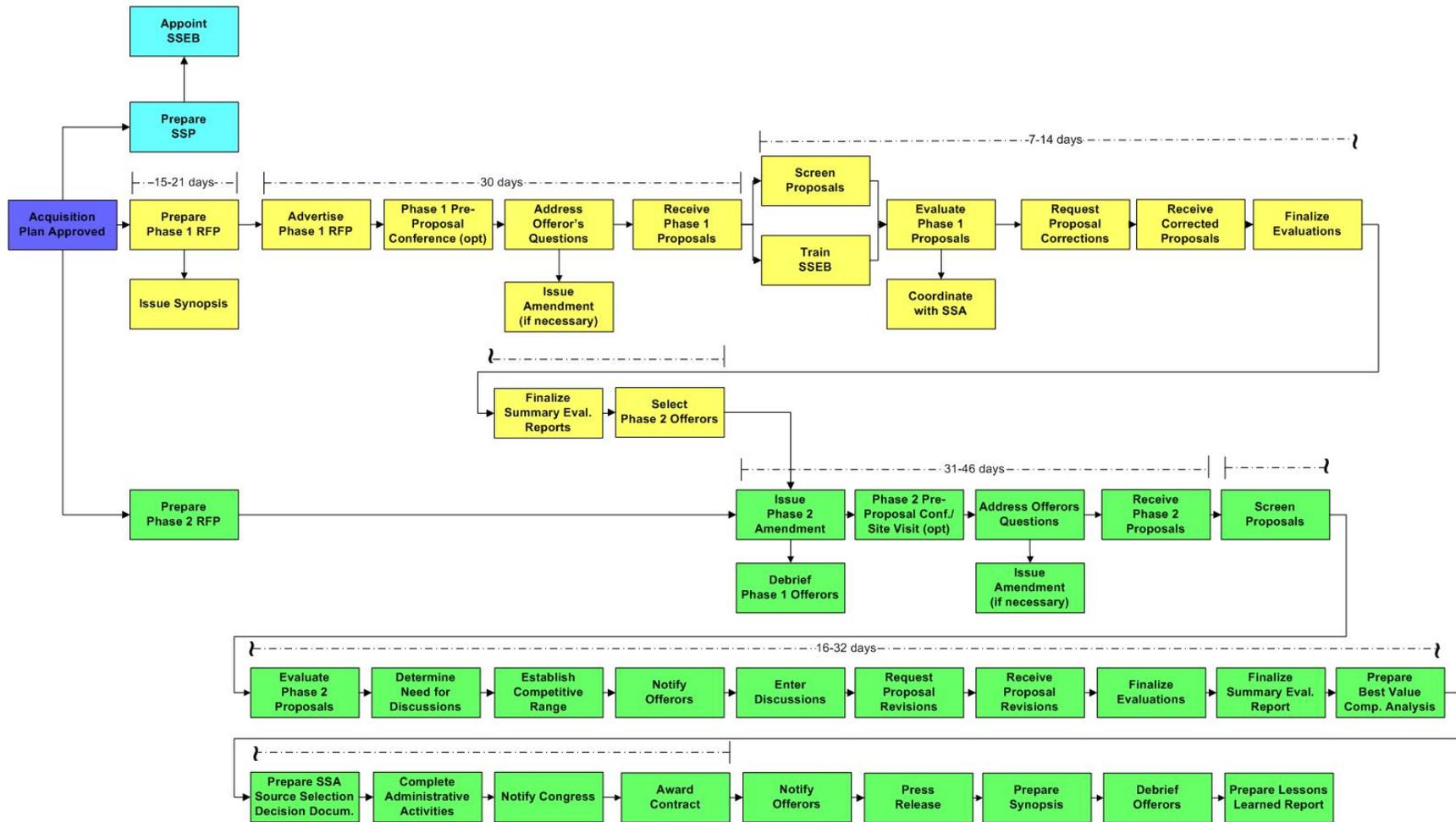
The Model RFP contains evaluation factors and subfactors for Phases 1 and 2 of the process. Grading sheets are provided in the sample Source Selection Plan. These criteria and grading sheets cannot be changed by the executing District. By standardizing the solicitation/selection process for MILCON Transformation projects, execution time is improved and consistency throughout the Corps is achieved.

One of the major concerns of the contractor community was the inconsistencies in the procurement processes throughout the Corps. A commitment of the MILCON Transformation effort was to improve consistency. The evaluation criteria has been through significant development and review by contracting personnel and legal counsel.

1.6 Source Selection Plan Template

Due to procurement sensitivity, the Source Selection Plan (SSP) template is not available in this guide. However, an editable version can be obtained from the PEO contracting member (currently J.R. Richardson, Huntsville Engineering Center, j.r.richardson@hnd01.usace.army.mil, (256) 895-1111 or Lisa Billman, SWF, lisa.c.billman@usace.army.mil (817)886-1066. This template, along with this guide, will answer many of the procedural questions that you may have, as well as save time in your procurement process.

2.0 Process Flow Diagram



2.1 Narrative of Process Steps

2.1.1 Source Selection Plan and Appointment of the SSEB

Prepare the SSP using the SSP template.

Concurrent with the preparation of the SSP should be the appointment of the Source Selection Organization (SSO) and the Source Selection Authority (SSA)

The Source Selection Evaluation Board (SSEB) and the SSEB Chair will be appointed by the SSA. The SSEB Chair should be a person highly experienced in procurement and source selection. The SSEB Members should be people who are knowledgeable of the Government requirements under solicitation. It is recommended that we include the customer representative on the SSEB.

The SSEB may also extend to non-voting advisors and other support staff. For example:

- Technical experts
- Legal counsel
- Senior procurement specialists
- Price and cost expertise
- Contracting support
- Small business advisor
- Administrative

The Head of the Contracting Activity (HCA) or the Principal Assistants Responsible for Contracting (PARC) are responsible for the appointment of the SSAs. The SSA will be in the contracting chain unless the HCA or PARC approves otherwise (for their respective delegation authorities. Solicitations with a dollar value in excess of \$50M will have the SSA designated at a level above the contracting officer. Reference the Department of Army Source Selection Manual for procurement thresholds.

2.1.2 Phase 1

Phase 1 is conducted in accordance with FAR 36.303-1.

2.1.2.1 Acquisition Plan Approved

Confirm that the project specific acquisition plan has been approved and that it is consistent with the National Acquisition Plan.

2.1.2.2 Prepare Phase 1 RFP

Preparation of the Phase 1 RFP will use the MILCON Transformation model RFP as a template. Reference the MT Model RFP Implementation Guide for detailed guidance on preparation.

2.1.2.3 Advertise Phase 1

The Phase 1 solicitation would include the Division 1 portion of the RFP. Section 00700 will provide full text only for the fill-in clauses. All other clauses will be included in Phase 1 by reference only. The full text of these clauses will be included in contract award documents.

The Phase 1 solicitation should also include the Phase 2 model RFP technical requirements as information only. These requirements are not project specific but are included to demonstrate the potential scope and level of effort.

If available, Phase 1 should use the precise Construction Cost Limit (CCL). If for some reason, the actual CCL is not available, include an approximated number that demonstrates the order of magnitude. This too helps the Offeror understand the anticipated scope of work. The CCL may or may not be close to the IGE.

2.1.2.4 Phase 1 Pre-Proposal Conference (Optional)

A pre-proposal conference during Phase 1 is optional. The conference would be used to clarify and emphasize the:

- MILCON transformation objectives and intent
- importance of not exceeding the CCL
- importance of maximizing quality for the available funds and allowable schedule

This could be accomplished through industry day forums where multiple projects are discussed.

2.1.2.5 Address Offeror's Questions and Issue an Amendment

If the Phase 1 Pre-Proposal Conference is conducted, it will likely generate questions and comments that need to be shared with all potential Offerors. If so, an amendment would need to be issued to address these items or any other matters that arise after the issuance of the RFP. In general, it is expected that there will be no changes. Any amendments should be minimal and in accordance with the Change Instructions in the MT RFP Implementation Guide. Also note that an RFP amendment is possible after receipt of proposals.

2.1.2.6 Receive Phase 1 Proposals

Receive proposals and prepare for the SSEB evaluation.

2.1.2.7 Screen Proposals

Upon receipt of proposals, the Contracting Officer or his/her designee should conduct an initial screening to ascertain that each Offeror has submitted all of the required information, including electronic media, in the quantities and format specified in the RFP. The Army Source Selection Manual (SSM) can be referenced for suggested items and procedures.

2.1.2.8 Train SSO

Prior to receipt of proposals, each evaluator should become familiar with all pertinent documents; e.g., the RFP, SSP, and rating scales. Training shall be conducted that includes an overview of these documents and the source selection process, with detailed training on how to properly document each proposal's strengths, deficiencies, weaknesses, uncertainties, and risks. This training is especially crucial when there are evaluators with no prior source selection experience.

2.1.2.9 Evaluate Phase 1 Proposals

The process for evaluating proposals in Phase 1 should be done in accordance with FAR Part 36 and the SSP. The objective is to identify each Offeror's strengths, weaknesses, deficiencies, uncertainties, and risks as defined in the RFP.

One relevant change associated with evaluating MT RFPs is that an Offeror's Federal Government project experience will not be rated inherently more important than non-Federal Government project experience.

It is also important to remember that key personnel experience and past performance gained with previous companies is NOT creditable for their current company's experience and past performance qualifications. This previous company experience and past performance is only creditable to the individual's qualifications where the Offeror's documentation supports that the person had such experience.

There is no proposal risk rating in Phase 1 because it is not subject to FAR Part 15 evaluation procedures. However, organizational past performance is rated using the performance risk ratings in Section 00110 in accordance with FAR Part 15 evaluation procedures (see FAR 15.305(a)(2)).

2.1.2.10 Request Proposal Corrections

The objective of this step is to eliminate deficiencies and uncertainties relative to the Offeror's Phase 1 proposal from carrying over to Phase 2. This should be limited to items that would preclude award in Phase 2, if not corrected, or where another significant reason exists to obtain this information. This should only be done with the most highly qualified Offerors. It is important to recognize that the most highly qualified Offerors may not be the most highly rated since a deficiency may actually be the cause for their lower rating.

If there are any negative past performance issues related to an Offeror, the Offeror shall be given the opportunity to explain them before proceeding to Phase 2. CCASS and ACASS ratings are not subject to further discussion with the Offeror since these evaluation processes already have a formal process that allows the contractor the opportunity to explain negative performance.

2.1.2.11 Receive Corrected Proposals

Receive corrected proposals and provide to the SSEB for re-evaluation.

2.1.2.12 Finalize Evaluations

Re-evaluate any corrections the Offeror may make to their proposal.

2.1.2.13 Finalize Summary Evaluation Report

Revise evaluation ratings if necessary and finalize the Summary Evaluation report. See sample matrix at the end of this section.

2.1.2.14 Select Phase 2 Offerors

The SSA will select the most highly qualified Offerors up to the maximum allowed by the RFP. The objective is to only shortlist the most highly qualified Offerors. Do not include others simply to meet the maximum allowed by the RFP. See the MT RFP Implementation Guide for additional guidance for determining the number of Offerors to advance to Phase 2.

2.1.3 Phase 2

Phase 2 is conducted in accordance with FAR Part 15 and the Army Source Selection Manual.

2.1.3.1 Prepare Phase 2 RFP

One of the significant benefits of the two-phased approach is the ability to solicit and pre-qualify Offerors concurrent with the preparation of the technical requirements in Phase 2. This

approach can take several weeks to months out of the more conventional approach that has historically been used. RFP development may be ongoing. While the preparation of the Phase 2 portion of the RFP may actually be under development in advance of the Phase 1 preparation, Phase 1 is not dependent on Phase 2 being complete before advertising Phase 1. Phase 2 needs to be completed by the time the Offerors from Phase 1 have been short-listed.

2.1.3.2 Issue Phase 2 Amendment

The amendment which will include the technical requirements of the solicitation should allow 30-45 days response time depending on the complexity of the project.

Reissue the entire RFP; however in the Amendment include a list of the pages and/or sections that have been revised.

It is important to ensure that the CCL is clearly identified in Phase 2 RFP. The Independent Government Estimate (IGE) must be finalized prior to receipt of Phase 2 proposals.

Also note that an RFP amendment is possible after receipt of proposals.

The Contracting Officer is responsible for ensuring that the project manager has certified that a value engineering study has been conducted on the draft RFP prior to issuance of Phase 2 RFP (see ER 11-1-321). The Contracting Officer must also confirm that the Chiefs of Engineering and Construction have certified that a Bidability, Constructability, Operability, and Environmental (BCOE) review has been performed prior to issuance of Phase 2 RFP (see ER 415-1-11).

2.1.3.3 Debrief Phase 1 Contractors

The unsuccessful Offerors must be provided a notification letter concurrent with issuance of the Phase 2 Amendment. This letter should extend an offer for a debriefing. If a debriefing is requested, provide the debriefing in accordance with the FAR

2.1.3.4 Phase 2 Pre-Proposal Conference and Site Visit (Optional)

Conduct the pre-proposal conference as early as possible, allowing at least one week for review of Phase 2 RFP. During the pre-proposal conference, clarify and emphasize the importance of the CCL. Emphasize MILCON transformation objectives and intent. Offerors should be instructed that offers must be within the CCL in order to award and that offers should maximize the quality within the CCL.

Encourage Offerors to identify funding and/or scope problems early to enable the Government to proactively address it.

2.1.3.5 Address Offeror's Questions and Issue Amendment (if necessary)

A Phase 2 Pre-Proposal Conference will likely generate questions and comments that need to be shared with all Offerors. If so, an amendment would need to be issued to address these items. Amendments are possible for other reasons as well. Any amendments should be minimal and in accordance with the Change Instructions in the MT RFP Implementation Guide.

2.1.3.6 Receive Phase 2 Proposals

Receive proposals and prepare for the SSEB evaluation.

2.1.3.7 Screen Proposals

Conduct administrative screening of proposals as in Phase 1 for compliance with the RFP submittal requirements. Reference Army Source Selection Manual (SSM) for items/procedures

2.1.3.8 Evaluate Proposals

The proposals submitted by the Offerors will be in much less detail than submitted in the past and because of the performance-based requirements, there may be a wide variance in technical solutions. Pilot projects have shown that review of each proposal may take only a matter of hours, but it is important that the evaluators take sufficient time to conduct a full and fair evaluation of the offers.

The objective is to obtain the best quality product (including building systems and finishes) that meets the functional requirements in the RFP, in accordance with the RFP's evaluation factors. The SSEB may desire to include technical advisors in reviewing the proposal for technical compliance with the RFP.

Identify and document strengths, weaknesses, deficiencies, uncertainties, and risks in accordance with Army Source Selection Manual and FAR Part 15.

If the proposals exceed the cost limitation, it may be advisable to request the price breakdown to evaluate the distribution of costs. SSO may want to enlist qualified cost evaluators at this stage. If necessary, the Contracting Officer or authorized negotiator will ask for proposal price breakdown and provide the desired format.

During Phase 2 evaluation, nothing from Phase 1 should be revised or re-evaluated except for changes in key personnel (per RFP). Any exceptions to this policy will be directed by the Contracting Officer or SSA.

2.1.3.9 Determine Need for Discussions

Is there an awardable proposal? If so, the Government may choose not to enter discussions. However, it may be in the best interest of the Government to seek improvements in the proposals, thereby entering discussions. The Contracting Officer will decide whether discussions are necessary.

2.1.3.10 Establish Competitive Range

The competitive range may include one or more Offerors, as determined by the Contracting Officer.

2.1.3.11 Notify Offerors

Notify unsuccessful and competitive range Offerors of their status and of the intent to enter discussions.

2.1.3.12 Enter Discussions

Oral discussions are optional. See RFP for detail.

Discussions may include a presentation of the Offerors design proposal at the Government's request.

2.1.3.13 Request Revised Proposals/Requesting Final Proposal Revisions

When requesting revised proposals and final proposal revisions, instruct Offerors to clearly identify changes to their proposal by printing replacement pages or additional pages on colored paper. It is not the intent that the Offeror resubmit the entire proposal.

2.1.3.14 Receive Final Proposal Revisions

Receive final proposal revisions and prepare for the SSEB evaluation.

2.1.3.15 Finalize Evaluations

Re-evaluate any changes the Offeror may make to their proposal.

2.1.3.16 Finalize Summary Evaluation Report

Revise consensus evaluation ratings if necessary and finalize the Summary Evaluation report.

2.1.3.17 Prepare Best Value Comparative Analysis

Prepare a best value comparative analysis in accordance with FAR 15.308 and the Army Source Selection Manual.

2.1.3.18 Prepare SSA Source Selection Decision Document

Prepare in accordance with established procedures in the FAR 15.308 and the Army Source Selection Manual.

2.1.3.19 Complete Administrative Activities

In order not to hold up award of the contract, the following items should be performed concurrent with Phase 2 evaluations:

- Responsibility determination
- EEO Clearance
- Subcontracting plan approval

Congressional notification can only be done after selection is made.

2.1.3.20 Award Contract

Execute in accordance with established procedures in the FAR and the Army Source Selection Manual.

2.1.3.21 Notify Offerors

Notify Offerors in accordance with established procedures in the FAR and the Army Source Selection Manual.

2.1.3.22 Press Release

Prepare press release in accordance with established procedures in the FAR and the Army Source Selection Manual.

2.1.3.23 Prepare Synopsis

Prepare synopsis in accordance with established procedures in the FAR and the Army Source Selection Manual.

2.1.3.24 Debrief Offerors

Debrief Offerors in accordance with FAR in FAR 15.505 and 15.506 and the Army Source Selection Manual.

2.1.3.25 Prepare Lessons Learned Report

The Lessons Learned Report must be submitted to PEO. The PEO will post on Transformation website. The Lessons Learned Report should not be released until after the expiration of the protest period.

2.1.4 Matrix Summarizing a Typical Proposal Comparison

The matrix below shows summary comparative evaluation results for all Offerors within the competitive range. The supporting comparative analysis must document the integrated assessment of the technical (merit and risk), performance risk, and evaluated cost of the proposals relative to the factors and subfactors and to each other.

OFFEROR	TECHNICAL		PERFORMANCE RISK	PROPOSED PRICE
	TECHNICAL MERIT	PROPOSAL RISK		
A	Excellent	Low	Low	\$171,503,971
B	Excellent	Moderate	Moderate	\$134,983,305
C	Good	Low	Moderate	\$120,976,836
D	Excellent	High	Moderate	\$150,840,308
E	Satisfactory	Moderate	Low	\$115,751,933