Procurement Regulations Handbook

Source Evaluation Board

U.S. Department of Energy
Director, Procurement and Contracts
Management Directorate
Procurement Policy Branch

DISCLAIMER

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency Thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

DISCLAIMER

Portions of this document may be illegible in electronic image products. Images are produced from the best available original document.

DISCLAIMER

"This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

This report has been reproduced directly from the best available copy.

Available from the National Technical Information Service, U. S. Department of Commerce, Springfield, Virginia 22161.

Price: Printed Copy A04
Microfiche A01

Codes are used for pricing all publications. The code is determined by the number of pages in the publication. Information pertaining to the pricing codes can be found in the current issues of the following publications, which are generally available in most libraries: *Energy Research Abstracts, (ERA)*; *Government Reports Announcements and Index (GRA and I)*; *Scientific and Technical Abstract Reports (STAR)*; and publication, NTIS-PR-360 available from (NTIS) at the above address.

Procurement Regulations Handbook

Source Evaluation Board

U.S. Department of Energy
Director, Procurement and Contracts
Management Directorate
Procurement Policy Branch
Washington, D.C. 20585

FOREWORD

This Handbook is published to provide a compilation of significant policies and procedures applicable to the source evaluation and selection process. It provides guidance to source selection officials, source evaluation boards and others who will participate in the preparation of requests for proposals, evaluation of proposals, preparation of source evaluation board reports, presentations to selection officials and selection of offerors.

The source evaluation board process is a process utilized by the DOE to evaluate proposals submitted in response to formal requests for proposals above a specified dollar amount. The objectives of the process are to:

- o Assure the efficient and effective expenditure of Government funds.
- o Optimize the opportunity for attainment of program objectives.
- o Obtain adequate and effective competition in the acquisition of goods and services.
- o Assure impartial, equitable and thorough evaluation of proposals and other information received.
- o Provide necessary data to the source selection official to permit the selection of the best offer.

The provisions of this Handbook shall be used in appropriate major procurements as provided for in DOE-Directives and Procurement Regulations and for other situations as determined by the Secretary, Deputy Secretary or Under Secretary.

The source evaluation and selection process is dynamic and will require the exercise of astute judgment throughout the process. Therefore, the chairperson of the source evaluation board and the source selection official are expected to exercise their judgment with the advice of the legal and procurement members, in making appropriate variations and adaptations that are necessary in individual situations provided that these do not constitute a departure from the basic policies and intent of this Handbook.

Advance approval of substantive variations from the Handbook must be obtained from the Director, Procurement and Contracts Management Directorate to assure compliance with pertinent regulations, statutes and sound procurement practice.

The provisions of this Handbook are applicable to all elements of DOE and are effective on the effective date of this Handbook, except for those SEB activities already begun where the process is too far along to permit their application.

This publication will be available to other Government agencies, contractors, and the public in general through sale of this document by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402.

The Director, Procurement and Contracts Management Directorate is responsible for keeping this Handbook in a current status and therefore it is not to be rewritten, in whole or in part, by any other office in DOE. Comments or suggested revisions should be transmitted to: DOE, Washington, D.C. 20585, Attention: Director, Procurement and Contracts Management Directorate, Director, Policies and Procedures Division.

M. J. Tashjian, Director
Procurement and Contracts
Management Directorate

Effective Date: 6/30/79

-
1. ERDA Source Evaluation Board Handbook dated 6/30/77, is hereby superseded.

CONTENTS

<u>CHAPTER</u>		<u>PAGE</u>
I.	<u>ESTABLISHMENT OF SOURCE EVALUATION BOARDS</u>	
	101. Determination of Requirements	1
	102. Designation and Duties of Source Evaluation Board Members, Ex-Officio Members and Advisors	1
	103. Role of Source Selection Official	4
	104. Safeguards to Preserve Integrity of SEB Process	5
II.	<u>PREPARATION OF REQUEST FOR PROPOSALS</u>	
	201. Role of Program Office and Procurement	7
	202. Additional RFP Preparation Guidance	8
	203. Description of Work or Services	10
	204. Qualification Criteria	10
	205. Evaluation Criteria	11
	206. Evaluation Criteria - Price and Cost Considerations	11
	207. Other Information	13

<u>CHAPTER</u>		<u>PAGE</u>
III.	<u>FUNCTIONS AND RESPONSIBILITIES OF THE SEB - PRIOR TO RECEIPT OF PROPOSALS</u>	
	301. Administrative Matters	14
	302. Preparation of Procurement Plan/Schedule	15
	303. Organization of the SEB	16
	304. Review and Approval of RFP	16
	305. Development of Source List	18
	306. Development of Rating Plan	18
	307. Issuance of RFP	20
	308. Preproposal Conference	21
IV.	<u>EVALUATION PROCESS</u>	
	401. Methodology Used to Evaluate Proposals	22
	402. Basis for Elimination of Proposals Before Initial Ratings	24
	403. Organizational Conflicts of Interest	24
	404. Price/Cost Considerations	25
	405. Initial Ranking and Determination of Competitive Range	27
	406. Verification of Offeror's Experience	28
	407. Visits to Offeror's Facilities	29
	408. Written and/or Oral Discussions	30
	409. Comparison of Proposals in Competitive Range	32
	410. Final Ranking of Proposals	33
V.	<u>SEB REPORT</u>	
	501. Preparation of SEB Report	34
	502. SEB Report Outline	34

<u>CHAPTER</u>		<u>PAGE</u>
VI.	<u>PRESENTATION TO SOURCE SELECTION OFFICIAL</u>	
	601. Suggested Briefing Charts	41
	602. Arrangements for Presentations	43
	603. Selection Decision	44
VII.	<u>ACTIONS AFTER SELECTION DECISION</u>	
	701. Preparation of Selection Statement	47
	702. Notifications and Announcements	47
	703. Negotiation Instructions	47
	704. Debriefing of Unsuccessful Offerors	47
	705. Transfer/Disposal of Files	48

APPENDICES

1. Sample Letter Establishing an SEB
2. Duties and Responsibilities of SEB Secretary
3. Confidentiality Certificate
4. Sample Rating Sheet
5. Sample Work Sheet for Strengths and Weaknesses
6. Sample Fact Sheet
7. Title Page for SEB Reports
8. Foreword Page for SEB Reports

CHAPTER I

ESTABLISHMENT OF SOURCE EVALUATION BOARDS

101. Determination of Requirements

Prior to the establishment of a Source Evaluation Board (SEB) it is extremely important that the requirements of the program office are clearly and concisely defined and agreed to by the program officials. It is the responsibility of the cognizant program office or field office to determine its requirements consistent with its mission, giving appropriate consideration to budgetary and program approval documents. Before an SEB is established the program office should prepare in draft a detailed statement of work. This statement of work should clearly define what is to be done and the key milestones and objectives. The draft statement of work will be used by the SEB in preparing the request for proposals (RFP).

102. Designation and Duties of Source Evaluation Board Members, Ex-Officio Members and Advisors

- a. The Secretary, Deputy Secretary, Under Secretary or an Assistant Secretary ordinarily will be the source selection official and will designate the board members. In those instances where a field office manager is delegated authority as the source selection official, the field office manager will designate the board members, and any reference in this manual to duties to be performed by the Director, Procurement and Contracts Management Directorate or the SEB Secretariat will be performed by personnel appointed by the field office manager.
- b. To establish a Headquarters SEB (an SEB where the source selection official is a Headquarters official) the program director should submit a complete procurement request together with the names and position titles of the suggested chairperson, executive secretary, voting members, legal (nonvoting) member, ex-officio members, and advisors of the proposed SEB to the Director, Procurement and Contracts Management Directorate. It should be noted that the SEB process involves a substantial amount of full-time effort on the part of board members; therefore, this should be considered in nominating individuals for board membership. The Procurement and Contracts Management Directorate - SEB Secretariat will prepare a memorandum and letter establishing the SEB, as presented in Appendix #1, naming board and exofficio members and advisors and send it to the source selection official for review and approval.

- c. Changes in the board membership will be made only with the approval of the source selection official. The letter designating the change will be prepared and issued in the same manner as the original letter establishing the board. The chairperson, however may replace the executive secretary without approval of the source selection official.
- d. In suggesting the composition of the board, consideration should be given to the following:

- (1) Board Membership - In keeping with the importance of the source evaluation and selection process, source evaluation boards should be composed of highly qualified DOE technical and business personnel. When appropriate, personnel from other Federal Government agencies may serve as board members. The board chairperson and secretary normally will be from the program organization having cognizance of the procurement. The executive secretary will not have a vote.

It is desirable that at least one person who will be given a key technical assignment on the project to which the procurement is directed be designated a board member. At least two members of every SEB shall be from organizations other than the cognizant program office. One of these two members shall be from the procurement organization. To provide continuity in negotiation of the resulting contract, the procurement member normally should be that individual who, it is anticipated, will negotiate the contract.

The Assistant General Counsel for Procurement or counsel for the supporting field activity will designate for each SEB a legal (nonvoting) member who will serve as a representative of the Office of General Counsel. Since the legal member does not have a vote, the legal member's presence will not be required at all meetings of the board. However, the legal member will be available on an as needed basis and advice will be sought from that member in all important or potentially controversial actions of the Board and all actions of legal significance. The legal member will be timely informed of all SEB activities and meetings.

The board should be small in size, normally not exceeding five voting members. Each voting member will have one vote.

- (2) Board Chairperson - The chairperson of the board is its principal operating executive. The chairperson is in charge of and responsible for procedural aspects of the board activities, including:

- Assuring that all board members have reviewed the SEB Handbook in detail.

- Scheduling and conducting all board meetings and deliberations.
 - Designating, after consultation with board members, necessary committees and advisors (in addition to those appointed by the Source Selection Official) and appointing chairpersons of such committees.
 - Assuring that the SEB executive secretary prepares board records summarizing its meetings and substantiating all board findings, conclusions and recommendations.
 - Resolving all board procedural matters not specifically covered in this Handbook. If a significant problem develops, it should be brought to the attention of the SEB Secretariat and the legal member.
- (3) Board Executive Secretary - The board executive secretary will perform those duties assigned by the chairperson such as those identified in Appendix #2.
- (4) Ex-Officio Members - Boards may have as nonvoting ex-officio members the cognizant assistant secretary-level official, program director, or field office manager. The SEB Secretariat shall provide an ex-officio member to every SEB even though not specifically designated in the letter establishing the SEB. Ex-Officio members will be required to comply with DOE conflict of interest regulations and non-disclosure of information requirements. The role of the ex-officio member is to provide advice and assistance to the board and to the source selection official and to receive periodic progress reports as appropriate. Ex-officio members are not to direct the board to take a particular action or to be involved in the day-to-day operation of the board. The cognizant contracting office may also have a procurement representative as an ex-officio member on the board when the contracting office is not otherwise represented on the board by such an individual. This will aid in the continuity in negotiations.
- (5) Advisors and Committee Members - Only personnel from DOE, other Federal Government agencies and DOE prime management or operating contractors may be used as advisors or committee members when their services are necessary and available. These individuals will be required to comply with DOE conflict of interest regulations and non-disclosure of information requirements. Advisors and committee members will be utilized in discrete areas where they have a special expertise and will not be given access to overall board activities.

103. Role of Source Selection Official

- a. The source selection official (SSO) will be a senior DOE official specifically designated for that purpose. His role starts with the determination of requirements and establishment of a source evaluation board to evaluate proposals. A copy of the Procurement Plan/Schedule of the SEB will be forwarded to the SSO through the SEB Secretariat. The SSO may request periodic written reports of progress against the schedule. It is the source selection official's task to make the selection decision by judging which of the proposals are most advantageous to the Government, all things considered. The selection official should, in the light of the Government's stated requirements and evaluation criteria in the RFP, consider, as appropriate, the relative quality and suitability of what is being offered by each proposer, the likelihood of its being performed and how much each offer would probably cost the Government. In making his selection, he must consider all factors pertinent to the choice and make the necessary trade-off judgments as may be required between quality, schedule, and price. The board will not recommend the selection of a contractor, but will report its findings and conclusions and answer all questions raised by the source selection official and assist him with any special analyses or other requirements for clarifying matters related to the final selection.
- b. (1) The selection of offerors will be made by the Source Selection Official in light of the SEB's presentation after consultation with senior staff. It is generally desirable to select a single offeror for negotiation. However, there may be cases where the Source Selection Official may determine that it is in the best interests of the Government to select from offers in the form of fully definitized contractual instruments. This may occur when the Source Selection Official has serious questions about the outcome of negotiations, or when the evaluation is so close as to not provide meaningful discrimination. In this event, the Source Selection Official, may if appropriate, establish, or direct the SEB to establish, a new or revised competitive range and direct that discussions be reopened with all offerors then in the competitive range.
- (2) If the Source Selection Official directs discussions be reopened, it will be the responsibility of the SEB to obtain and present to the Source Selection Official for consideration and final selection, fully definitized best and final offers in the form of signed contractual instruments from each offeror.

- c. The Source Selection Official shall, unless otherwise provided by rule or regulation, have the authority and responsibility to make the affirmative determinations required by 42 U.S.C. 5918(b) and 15 U.S.C. 789(b) as to whether (1) there is little or no likelihood that an organizational conflict of interest would exist as a result of an award or (2) that such conflict will be avoided after appropriate conditions have been included in the award instrument. In the event the Source Selection Official determines that a conflict of interest exists and that such conflict cannot be avoided by including appropriate conditions in the award instrument, the Secretary or his designee may nevertheless authorize award if a determination is made that it is in the best interests of the United States to make such award and the award instrument includes appropriate conditions in such contract agreement, or arrangement to mitigate such conflict.
- d. After selection has been made, the Office of General Counsel will prepare a concise selection statement which will provide the rationale for the selection decision. The selection statement will be formally coordinated with the SEB Chairperson and SEB Secretariat prior to submission to the source selection official. The selection statement will be dated, signed by the source selection official, and retained in the official contract files. Appropriate notifications and announcements will be made after the selection decision, in accordance with Chapter VII.

104. Safeguards to Preserve Integrity of SEB Process

- a. Everyone who participates in the evaluation process (board members, committee members, advisors) is required to sign a Confidentiality Certificate (Appendix #3). The chairperson should brief all board committee members and advisors on the sensitivity of the SEB process, the prohibition against unauthorized disclosure of information and the requirements pertaining to conflict of interest. Each individual involved in the evaluation should inform the chairperson in writing whenever the individuals participation in board activities might embarrass the Government because of a real, apparent or possible conflict of interest. Whenever conflicts between SEB activities and a participants personal interests are disclosed, that conflict must be jointly resolved by the SEB chairperson and legal member and the SEB file so documented. In the event of disagreement, or for conflicts involving either the chairperson or legal member, the matter should be promptly presented to the General Counsel or designee for resolution.

- b. During SEB activities, including written or oral discussions, participants will not reveal any information concerning the evaluation to anyone who is not also participating in the same proceedings and then only to the extent that such information is required in connection with such proceedings. 18 U.S.C. 1905 prohibits the unauthorized disclosure of business, confidential, or trade secret information unless authorized by law.
- c. The right to information relating to SEB activities on a need-to-know basis normally does not extend to the chain of supervision of board members. However, nothing in the Handbook precludes reasonable, general progress reports of board activities by the board chairperson to ex-officio members and the source selection official nor the consultation between the legal and procurement members and their superiors as to proper procurement procedures.

CHAPTER II

PREPARATION OF REQUEST FOR PROPOSALS

201. Role of Program Office and Procurement

- a. The cognizant procurement representative and program office will work together in the development of the draft request for proposals. The effectiveness of any evaluation is dependent, in large measure, on the quality of the RFP and whether it will lead to the submission of comparable proposals. Therefore special care and attention should be devoted to the development of the RFP. Ordinarily the preparation of the draft RFP will be initiated prior to the establishment of the SEB and be available for the first or second meeting of the board. The complete statement of work, specifications, project objectives and schedule are the primary responsibility of the program office while the business aspects are primarily the responsibility of the procurement representative. In the development of the RFP, special consideration will be given to the qualification criteria, evaluation criteria and the requirements for price and cost information.
- b. The RFP should contain an Executive Summary Letter transmitting the RFP to prospective offerors. The RFP will contain general instructions and be structured as set forth in PL 79-12. The following format should be used:

- Part I
- A. Cover Sheet
 - B. Contract Form and Representations, Certifications, and Other Statements of Offeror
 - C. Instructions and Conditions, and Notices to Offerors
 - D. Evaluation Factors for Selection and Award

- Part II
- E. Supplies or Services & Prices

- F. Description and Specifications
- G. Packaging and Marking
- H. Deliveries or Performance
- I. Inspection and Acceptance
- J. Special Provisions
- K. Contract Administration

- Part III
- L. General Provisions

- Part IV
- M. List of Documents, Exhibits, and Other Attachments

- c. Supporting information should be keyed to the appropriate part and section in the RFP. For ease of evaluation, it may be desirable to prescribe the use of separate volumes addressing the technical evaluation criteria, business and management evaluation criteria; and price and cost information. To the extent practicable, specify the use of graphs, charts and tables which will facilitate the comparison of proposals. In addition, consideration should also be given to specifying a limited number of pages for each part of the proposal.

- d. When the draft RFP has been completed and reviewed by the cognizant procurement office, it will be submitted to the SEB for review and modification. At an appropriate stage in the process either before or after the SEB is established, the draft RFP or portion thereof may be published for comment by the Director, Procurement and Contract Management Directorate.

202. Additional RFP Preparation Guidance

- a. In addition to the requirements of PL 79-12 the Executive Summary Letter of the RFP should include the following areas:
 1. Indicate that it is DOE's policy to discourage "brochuremanship" and unnecessarily costly proposal preparation. Proposals should be prepared with maximum economy, consistent with the particular procurement, to ensure that the resources of both proposers and evaluators are efficiently utilized.
 2. State the exact time and place where proposals are due and the number of copies required.
 3. Request an acknowledgement of receipt of the RFP, indicating whether or not the organization intends to submit a proposal and attend the preproposal conference.
 4. A statement that the apparent successful offeror may be required to submit a subcontracting plan for the utilization of small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals.
- b. Where appropriate the following items should be included in the applicable Section of Part I of the RFP:
 1. Describe the technical, business and management evaluation criteria and clearly indicate their relative importance. It is not sufficient to merely rank the criteria in terms of "primary", "secondary", and next in importance. For example, if the first of five criteria represents 72% of the total score and six times the weight of the second most important criterion, the predominant value of that criterion should be indicated in the RFP in some narrative manner.

The criteria should also be listed in descending order of importance. The major evaluation criteria may be divided into subcriteria which should be described in terms of their relative importance and also be listed in order of relative importance. The actual numerical weights assigned to the evaluation criteria will not be included in the RFP.

2. Indicate the relative importance of cost in relation to the technical, business and management evaluation criteria.
3. State if a preproposal conference will be held; give details as to when, where and necessary limitations on the number of attendees. If security clearance or other special administrative arrangements are necessary to secure admittance to a conference, so state. Details of conference procedures should be determined and stated. If written questions are to be submitted by attendees for answers at the conference, offerors should be informed as to how and when they will be submitted and to whom. Other administrative details should also be stated, if known at the time. Sufficient time must be permitted for potential offerors to review the RFP prior to any preproposal conference.
4. Inform all prospective offerors that DOE may solicit, from available sources, relevant information concerning the offeror's record of past performance and use such information in the evaluation and selection process.
5. Indicate that the person signing the proposal must have the authority to commit the proposer to all of the provisions of the proposal.
6. State that the RFP does not commit the Government to pay any costs incurred in the preparation or submission of any proposal or to procure or contract for any services.
7. State that proposals should contain the most favorable terms to DOE which the offeror can submit and that DOE reserves the right, without qualification, to select any proposal as a basis for negotiation or to reject any and all proposals.

8. State that the source evaluation process will be conducted in accordance with the DOE-SEB Handbook and that a copy may be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402.
9. When appropriate, state that the number of awards anticipated or that multiple awards may be made.

203. Description of Work or Services

This enclosure to the RFP, which should become part of the draft contract, should describe in appropriate detail the work or services to be procured including deliverables. Wherever possible, it should also identify specific objectives, goals and intermediate milestones that will be used to measure the contractor's performance in regard to technical, schedule and cost aspects. Requirements for work to be performed under the resulting contract must be adequately described in the draft contract (including its statement of work). Any such requirements set forth in other portions of the RFP, e.g., the transmittal letter, instructions, criteria, may not effectively bind the offeror or may be omitted from the resulting contract.

204. Qualification Criteria

Qualification criteria, if any, should be sparingly employed where there are elements of special experience, capability, facilities, or other factors which are essential to the program performance aspects of the procurement. Qualification criteria must be clearly stated, and restricted to elements which are essential to the successful completion of the contract work. Stated another way, they are go/no go criteria which depict the minimum qualifications for a particular procurement. The purpose of qualification criteria is to discourage unqualified organizations from incurring the time and expense associated with the submission of proposals when they clearly have no opportunity for selection.

205. Evaluation Criteria

- a. The evaluation criteria will consist of those elements which the board must examine in each proposal to determine an offeror's:
 - Understanding of the work to be performed, including environmental and safety issues;
 - Technical, business and management approach;
 - Potential for completing the job as specified in the RFP;
 - Probable cost based upon offerors approach;
 - Relative qualifications and experience of both the proposer and key individuals proposed;
 - Comparative competitive status;
 - Offerors commitment and assumption of risk;
 - Extent and application of energy conservation and energy efficiency criteria.
- b. Too many evaluation criteria are as detrimental to an effective evaluation of a proposal as are too few. The evaluation process should be aimed at ascertaining and assessing distinctions among significant aspects of the work to be performed rather than identifying the relatively unimportant differences to be expected when multiple proposals are received. Evaluation criteria will be limited to the minimum number which will:
 - Allow for the above determinations to be made and
 - Indicate significant differences or distinguishing features among proposals.
- c. There are no restrictions on the kinds of evaluation criteria which may be used, as long as they are disclosed in the RFP and relate to the purposes of the procurement. The specific criteria used will depend on the particular circumstances, however, they will generally fall into the following major categories: (a) technical; (b) business and management; and (c) cost.
- d. Each evaluation criterion should be stated clearly and concisely. The discipline of delineating criteria will highlight overlap or redundancy among the several criteria so that the descriptions can be reworked to eliminate overlapping or redundant concepts and double scoring. The criteria set out in the RFP must be used in evaluation and will not be changed without the approval of the SSO and amendment of the RFP.

206. Evaluation Criteria - Price and Cost Considerations

- a. This enclosure to the RFP should indicate the relative importance of cost in the evaluation and describe the type of cost inform-

ation and the format to be used by the offerors. Cost, especially in the case of a cost-reimbursement type contract, should be measured in terms of cost realism in addition to the lowest estimated cost. An unrealistic cost proposal may reflect adversely on an offeror's understanding of the project.

- b. In cost-reimbursement type contracts, particularly if there is a lengthy performance period, it may be necessary to forecast general economic factors and the anticipated demand for essential materials. Because these forecasts could materially affect the estimated contract costs and offerors may have little or no control over them, the RFP should specify the estimating assumptions which are to be used.
- c. For example, in estimating the cost of a program to be performed over a five-year period, offerors would find it necessary to project the rate of inflation and the national demand for a given fuel. Because neither of these factors is within the control of an offeror and because cost estimates would be materially affected by the projections, the RFP should include the assumptions to be used in proposal preparation. Otherwise, there could be no assurance that the cost projections submitted would provide a valid basis for comparison.
- d. When detailed cost estimates are requested, the cost information should be presented in accordance with Optional Form 60, including all footnotes and instructions. Similar information should be furnished in regard to major subcontracts. The offerors' proposed costs are to be related to the proposed contract period of performance, escalated, as necessary, to cover geographical differences, union agreements, personnel practices, and normal economic conditions peculiar to the offeror. For long term periods of performance (usually beyond 3 years) or for unusual economic conditions, the RFP should state the additional economic escalation rates that are to be used by the offerors in projecting their costs.

207. Other Information

It is the policy of DOE to provide small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals an opportunity to participate in DOE procurements with the objective of assuring that such firms receive their fair share of DOE contracts. Since the provisions of this Handbook apply to procurements which are of a high dollar value and may be beyond the capabilities of small and disadvantaged businesses to perform as prime contractors, it is important that the past performance of offerors in the utilization of small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individual as subcontractors be reviewed.

CHAPTER III

FUNCTIONS AND RESPONSIBILITIES OF THE SEB - PRIOR TO RECEIPT OF PROPOSALS

301. Administrative Matters

a. Conduct of Board Activities

1. The SEB will be convened as directed by the chairperson. A simple majority of the voting members of the board constitutes a quorum for conducting board business. Board duties will take priority over normal duty assignments.
2. Attendance at board meetings is necessary to the evaluation process and members will attend except for compelling reasons. When the chairperson determines that a member's failure to attend meetings is prejudicial to the evaluation, the chairperson may request the source selection official to require the member's attendance or to replace such individual. It is the responsibility of the board chairperson to arrange for adequate and secure working space and facilities for the board. It is desirable to have a conference room fully dedicated to the SEB for its use during this process.
3. Full discussion of all matters considered by the board is encouraged. Differences of opinion should be explored with the objective of reaching a consensus or a common understanding on statements of issues which reflect fairly the differing views of board members.
4. Contacts with offerors and the private sector should be handled by one member of the board, normally the procurement member or SEB executive secretary as authorized by the chairman. Board members, advisors, and committee members will advise the chairperson of any inquiries received concerning the board's proceedings or the composition of the board directed to them from any source outside the board. An appropriate record of such inquiries shall be included in the file.

b. Protection of Board Information

Procedures shall be established for the secure handling of proposals, worksheets, records of meetings, reports and other documentation relating to the SEB process. All proposals, SEB reports and briefing charts will be numbered and controlled by the board secretary. Information given to and transfers between committees should be kept to a minimum and only provided on a need-to-know basis as approved by the SEB chairperson. Committee members and advisors should not be given the weights assigned to the evaluation criteria.

Requests for information should be carefully considered by the board and its legal member and, if it is decided to release certain information, it should be made available to all potential or actual offerors. After receipt of proposals, no information regarding the number or identity of the offerors or any information contained in their proposals will be made available to the public or to anyone whose official duties do not require such knowledge.

- c. Protests - Everyone involved in the process and especially the chairperson of the SEB should do everything possible in regard to the RFP and the evaluation process to assure impartial, equitable and thorough treatment is accorded all potential and actual offerors in order to avoid any organization being given an unfair competitive advantage over any other organization. Offerors may file a protest with the Agency or with the General Accounting Office if the offeror believes that the board has not followed established procedures or has conducted the competition in such a way as to give one or more offerors an unfair competitive advantage. The ultimate effect of such a protest, if filed before award, could be to hold up the award, and, if filed after award, could be to invalidate such award. If the chairperson becomes aware of any protest that may be or has been filed, the chairperson should immediately notify the procurement member on the board who will in turn notify the appropriate individual in the Procurement and Contracts Management Directorate. The SEB chairperson should also notify the SEB secretariat and the legal member.
- d. Freedom of Information Act - Any requests for information under the Freedom of Information Act should be directed to the cognizant Freedom of Information Act officer. The SEB chairperson should also notify the SEB secretariat. No information which could provide an advantage to one or more offerors shall be released to any person prior to award of all contracts contemplated by the solicitation.

302. Preparation of Procurement Plan/Schedule

An initial task of the board will be to review the procurement plan and schedule indicating how the board expects to accomplish its assignment. This procurement plan/schedule will be prepared in draft form by the procurement office and program office and will be submitted to the chairperson at the first or second meeting of the board. It will provide comments in relation to the following areas as appropriate:

- Brief description of work or services to be procured;
- Period of performance and proposed type of contract;
- Responsible technical office;
- Responsible contracting office;
- Total estimated amount of the procurement;
- Status of congressional appropriations and authorizations, if applicable;

- Tentative qualification criteria, if any;
- Tentative evaluation criteria - technical, business and management;
- Tentative price/cost considerations;
- Procurement schedule starting with establishment of board through expected award of contract;
- Special considerations such as determinations to be made by the SSO.

- b. After the procurement plan/schedule has been reviewed by the board it will be forwarded by the chairperson to the source selection official and Procurement and Contracts Management Directorate - SEB Secretariat. This document should be marked "Official Use Only" and transmitted in a sealed envelope to be opened only by addressee.

303. Organization of the SEB

- a. The source evaluation board will be composed of the chairperson, members, executive secretary, legal member (nonvoting), ex-officio members and advisors as designated by the source selection official. Based upon the circumstances surrounding the particular procurement, the chairperson, with the advice of the board, will decide whether to establish committees and appoint additional advisors. It is anticipated that on most major procurements there will be a need for technical, business/management and cost committees. Committees may be established and convened prior to receipt of proposals.
- b. To ensure board control, coordination and exchange of ideas, the chairperson of each committee should, if practicable, be a voting member of the board. Each committee chairperson will exercise the same responsibility with respect to procedural matters for the committee as does the board chairperson for the SEB. The findings and conclusions of committees shall be purely advisory.

304. Review and Approval of RFP

- a. The procurement office and the cognizant program office will develop a draft RFP which will be submitted to the SEB for review and approval. It is important that the board carefully reviews the RFP to be sure that it clearly states the requirements and is fully understood by the board members. The board should make such modifications as it deems necessary to assure itself that the RFP will be able to accomplish its objectives.
- b. When ready to start board work on the RFP, the chairperson will formally convene the board. Members will familiarize themselves with the objectives of the procurement and any unique considerations involved. Proposed qualification criteria will be reviewed, changed, as appropriate, and approved. Evaluation criteria will be reviewed for validity and susceptibility of being rated in order to distinguish among competing proposals. As part of this review,

particular attention will be paid to the narrative definitions developed for evaluation criteria in order to eliminate any overlap, conflict or redundancy. The board will change, as appropriate, and approve the evaluation criteria to be used.

- c. Once evaluation criteria are established, the board will determine the weights to be assigned to each, depending on its relative importance to the accomplishment of the procurement objectives. Complementary to this, a rating plan will be agreed upon. The establishment of appropriate evaluation criteria and weights prior to release of the RFP is required to assure impartial evaluation. Evaluation criteria and weights assigned will not be altered after proposals are opened.
- d. In its review of the RFP, the board should be mindful that it is DOE policy to obtain maximum competition consistent with the nature of the procurement. However, in view of the distinctive characteristics of many DOE programs and in the interest of the public, those companies which do not possess minimum qualifications and resources necessary to perform the proposed work should not be encouraged to incur proposal and other expenses involved in competitive submission. To accomplish this objective without limiting meaningful competition requires early and intense effort on the part of the board, working in conjunction with the program and procurement staff elements most familiar with the requirements. Timely attention to program requirements of the proposed procurement by the board will permit prompt identification of qualification criteria against which source lists may be screened so that only qualified concerns are asked to submit proposals.
- e. Qualification criteria should be employed only where it is possible for the board to establish qualification criteria which are:
 - Demonstrably justified from the nature of the particular procurement objective; and,
 - Susceptible to objective application to all potential sources.

Qualification criteria are not intended to restrict competition but to discourage proposal preparation by sources which have no real possibility of receiving the award.

- f. Evaluation criteria, weights and the rating plan selected should be established on a case-by-case basis in order to fit them to the significant factors of the particular procurement. Technical excellence, business/management capability and cost aspects all may be equally important factors in one selection while, in another, because of the conditions under which the selected contractor will perform, one or two may have limited significance.

The relative importance of the technical, business/ management and cost criteria depends on the nature of the products or services to be procured, with technical considerations having paramount importance in research and development. Nevertheless, any factor may tip the balance when competition is very close.

- g. Ordinarily the RFP will require the submission of complete proposals at one point in time. However, under special conditions it may be desirable to solicit technical proposals first and call for submission of cost proposals at a later date. Prospective contractors frequently work and rework technical proposals until immediately prior to submission in order to present the best proposal possible in the time allowed. In such circumstances, if DOE has required the simultaneous submission of a cost proposal covering the proposed work, the figures submitted by the potential contractor may be of questionable value, even for estimating purposes. Some delay in the date when cost proposals are required may be more than compensated for by a greater reliability of cost estimates and the resultant time saving made possible in later negotiations with the successful offeror. When delay in submission of cost proposals is appropriate, the RFP will include the closing date for both technical and cost proposals. In no event, however, may a competitive range be established until after receipt and consideration of technical and required cost information.

305. Development of Source List

The procurement office and the cognizant program office will develop a draft list of sources based upon the nature of the procurement and the draft RFP. This draft source list will be reviewed and amended as appropriate by the board based upon careful consideration of factors affecting the procurement. Prior to the issuance of the RFP, appropriate notice will be placed in the Commerce Business Daily, in accordance with FPR 1-1.1003. Such notice and any other public announcements should include any qualification criteria that will appear in the RFP.

306. Development of Rating Plan

- a. The best rating plan for a particular procurement is dependent on the objectives of that procurement. The rating plan should be developed prior to the issuance of the RFP. Before receipt of proposals, the board should reexamine its determination of weights to be assigned and the rating plan to be used. Where some adjustment appears necessary to accomplish the

procurement objectives, such adjustment may be made without formally amending the RFP prior to receipt of proposals, only if consistent with the terms of the RFP and the relative importance of the criteria expressed therein. After receipt of proposals, no changes may be made in the evaluation criteria or in the weight assigned to each.

- b. Two principal methods of rating selected evaluation criteria have been used: numerical and adjective. The numerical method involves assigning numerical values or weights corresponding to the relative importance of the factor being evaluated in order to provide a means of comparison. The adjective method uses adjective ratings (e.g., "outstanding", "good", etc.) to provide a means of comparison. Numerical weights will be assigned to the technical evaluation criteria and they will be point scored. However business/management evaluation criteria will not ordinarily be assigned numerical weights. When not assigned numerical weights, adjective ratings will be used to rate these criteria. In situations where management capabilities and business expertise is the primary service being procured such as in operating and some support service requirements, numerical weights and scoring may be appropriate for business/management evaluation criteria. Cost will not be assigned a numerical weight or point scored or adjective rated.
- c. While infinite variations are possible, there are advantages in using a standard method when the nature of the evaluation permits. However, certain cautions must be observed with respect to all numerical and adjective rating plans:
 - They are only as good as the judgments made in selecting criteria and weights. They do not ensure the mathematical certitude that the numbers might lead one to believe.
 - When the number of subdivisions to be rated is not kept to a necessary minimum, they tend to introduce an "averaging out" effect among all proposals, thus making it difficult to differentiate in important areas of evaluation.
- d. Depending on the rating plan employed, the manner in which a board reaches its final composite position may be through averages, curves, board consensus or any other means which are reasonable and followed consistently. The method of reaching composite ratings will be part of the rating plan established prior to the opening of proposals. In developing the rating plan the board should arrive at a common understanding or definition of the numerical scale and adjectives in terms of strengths and weaknesses.

- e. For illustration and guidance only, it is noted that a frequently used method is to assign numerical weights to each technical evaluation criterion and subcriterion stated in the RFP which effectively reflects its proportionate importance to all the technical evaluation criteria. Determination of importance and assigning weights to each criteria obviously requires a considered judgment in the light of the procurement objectives. Assume that a total of 100 points is used as the maximum weight for the technical evaluation criteria and using a scale of 0-10 points to reflect the boards evaluation of each criteria and subcriterion the board would then arrive at a total maximum possible rating of 1000 points.
- f. In regard to the business/management evaluation criteria a frequently used method is to assign adjectives such as: outstanding, good, satisfactory, poor, unsatisfactory; to each criterion to reflect the evaluation by the board.
- g. Once the rating plan has been established, the board should develop worksheets to be used by each board member for rating each proposal against the technical and business/management evaluation criteria.
- h. As an example, a rating sheet that may be used for rating the evaluation criteria for proposals received is presented as Appendix #4. This sample rating sheet provides for assignment of a particular weight to each evaluation criterion and, in turn, to each subcriterion on the basis of a sum total thereof of 100. It also indicates that each criterion or subcriterion would be rated on the basis of a scale of 0 to 10. Under this rating plan each board member would evaluate each offeror's proposal and then, using the assigned ratings as coefficients, arrive at the number of points assigned to each offeror by multiplying the numerical ratings by the assigned weights and totaling the scores for each evaluation criterion.

307. Issuance of RFP

After the RFP has been reviewed and formally approved by the board, it will be submitted to the Procurement and Contracts Management Directorate, Director, Program Support, who will appoint a solicitation review panel and distribute copies of the RFP and allied documents to each member. The panel will be convened not sooner than three working days after receipt of the RFPs by its members. This review will be conducted by appropriate staff, including the program office. While this review is taking place, the board should be finalizing the source list, rating plan and the announcement for the Commerce Business Daily as drafted by the procurement office and program office. The RFP will be modified as appropriate by the SEB and approved for release after receipt of comments from the solicitation review panel and the

SSO who may require a briefing on the RFP prior to its release. The RFP will be signed by the procurement member on the board. Each organization requesting an RFP should be given a copy or an opportunity to review the RFP and reference material in a public document room or other appropriate location.

The SEB will also forward a copy of the RFP and subsequent modifications to the SEB Secretariat.

308. Preproposal Conference

- a. A preproposal conference should be held for all procurements significant enough to justify a formal SEB. The preproposal conference permits prospective offerors the opportunity to gain a better understanding of the objectives of the procurement. It also offers the board an opportunity to stress the importance of significant elements of the RFP in order that interested organizations may judge whether to incur the cost of proposal preparation.
- b. Ordinarily, the chairperson will make the necessary arrangements and conduct the preproposal conference. Interested organizations normally expect a general presentation followed by the opportunity to ask specific questions. Questions should be submitted in writing prior to the conference and qualified DOE personnel should be available at the conference to answer them. Questions received at the conference may be answered orally but it should be emphasized that the official answers will be distributed in writing.
- c. A summary of the preproposal conference should be issued. The board chairperson will assure that the official DOE position in response to all pertinent questions discussed at the preproposal conference is furnished in writing to recipients of the RFP. It is essential that provisions of the RFP are not changed in the course of a pre-proposal conference. The terms of an RFP may be changed only by formal written amendment signed by the procurement representative who signed the RFP.

CHAPTER IV

EVALUATION PROCESS

401. Methodology Used to Evaluate Proposals

- a. Once proposals are received and opened the chairperson and members are expected to spend virtually full time in the evaluation until completion of the SEB report. Upon receipt of proposals, the board chairperson will again require each board member, advisor and committee member to inform the chairperson in writing if participation in board activities might cause embarrassment because of a real, apparent or possible conflict of interest situation.
- b. All proposals will be numbered and logged in (date and time of receipt) and held by the executive secretary, unopened, in a secure place, until after the due date and time specified for receipt in the RFP. If any proposal is received after the due date and time it will be treated in accordance with FPR 1-3.802-1. Normally the board will be convened as soon as possible after the due date for receipt of proposals at which time proposals should be distributed and assigned by number to each board member. The board should then review the methodology to be followed in evaluating proposals.
- c. The initial phase of the evaluation will be a review by the board to determine whether or not each proposal satisfies the formal requirements of the RFP and meets the qualification criteria specified. Any proposal not meeting the qualification criteria should be eliminated from further consideration and the offeror should be notified in writing by the SEB Chairperson. Such notification should be given promptly and briefly state the rationale for elimination of the proposal from further consideration.
- d. After review has been made for compliance with the qualification criteria, the board should start its evaluation of proposals in accordance with the technical and business/management evaluation criteria and cost aspects. The board chairperson will give each committee an appropriate number of proposals or portions thereof, evaluation criteria or areas to be evaluated, instructions regarding the committee functions and all data considered necessary. The committee chairperson will ordinarily be a board member and will be responsible for instructing the members as to committee functions, responsibilities and procedures. Committee members will not be told the weights assigned to the areas they are evaluating.

- e. A committee is a factfinding arm of the board. As a general rule, it will function under the same constraints as the board and will be expected to:
 - Examine, in detail, each proposal or portion thereof for the purpose of rating the assigned evaluation criterion in accordance with the rating plan approved by the board for the committee's use.
 - Submit written reports covering committee evaluation as set forth below.
- f. While oral reports may be given to the board, the committee function requires the submission of a written report. This report shall include:
 - Copies of individual and composite worksheets showing scores or ratings and supporting comments.
 - Any strengths of a proposal which significantly affected the rating.
 - Any weaknesses of a proposal which significantly affected the rating.
 - Any specific information bearing on the assigned ratings which the committee, or any member thereof, desires to bring to the attention of the board.
- g. All reports submitted by committees will be retained as part of the board records but normally will not be included as part of the board report to the source selection official. However, when it appears that a committee report is so significant that its inclusion is necessary to the source selection official's understanding of the board's action, that report may be included.
- h. Committee reports and findings will be reviewed by the board. In establishing the initial rating of each proposal, the board will not merely accumulate committee scores and rank proposals accordingly. Each board member will consider the committee ratings and rankings, taking cognizance of any reservations or qualifications stated by the committee and their own review of proposals and other information known to the board.

402. Basis for Elimination of Proposals Before Initial Board Ratings

- a. Proposals may be eliminated from further consideration before the initial ratings if the proposal is so grossly and obviously deficient as to be totally unacceptable on its face. For example:
 - It does not represent a reasonable initial effort to address itself to the essential requirements of the RFP, or clearly demonstrates that the offeror does not understand the requirement of the RFP; or
 - In research, development or demonstration procurements, numerous and/or substantial design deficiencies are inherent in the proposal and sufficient correction or improvement to consider the proposal acceptable would require virtually an entirely new technical proposal.
- b. Simple technical nonresponsiveness, in the sense in which the term is used in formal advertising, is never sufficient to constitute unacceptability if the proposal is otherwise competitive.
- c. The complete rationale for the elimination of any proposal shall be recorded in the board files. Prompt written notification by the SEB Chairperson which will include a brief statement of the rationale shall be given to each offeror who has been eliminated from further consideration. (Ref. Chapter VII, Paragraph 704.)

403. Organizational Conflicts of Interest

- a. The SEB is responsible for assuring that organizational conflicts of interest are considered and, where appropriate and consistent with Department policy, that suitable provisions are included in the solicitation.
- b. When acceptance of an organizational conflicts of interest clause or submission of an organizational conflicts of interest disclosure are required by the solicitation, noncomplying offerors will be notified:
 - (1) of the noncompliance;
 - (2) that failure to fully correct within a specified time may be treated as a refusal to comply in which case no further consideration shall be given the proposal; and
 - (3) any attempt to modify their proposal in a manner which affects price, quantity, quality, schedule, or the offeror's competitive position may constitute a late modification under the provisions of the solicitation.

- c. When an organizational conflicts of interest disclosure is required, the Board shall to the extent feasible, verify the completeness, adequacy, and accuracy of such statements through written and oral discussions, inquiries to sources of relevant information, and application of the knowledge of the Board members.
- d. The Board shall provide to the Selection Official as part of its report: (1) any information uncovered bearing on (a) the ability of any offeror within the competitive range to perform in an impartial, technically sound, and objective manner, or (b) obtaining an unfair competitive advantage, and (2) any proposal to mitigate or avoid organizational conflicts of interest. The Board should also ascertain and report whether the offeror is precluded from proposing or receiving award by restrictions placed in other Federal Government contracts.

404. Price and Cost Considerations

- a. Proposed cost, for either cost-reimbursement or fixed-price type contracts, is not to be point scored. Proposed cost is a function of the technical approach, the manpower, the facilities, the organization, and the uncertainties of the work and the economy. The board is to determine, by analysis, its own estimate of what it probably will cost each offeror, given each offeror's approach, experience, organization, personnel and similar factors including the board's estimate of what it will cost after correcting correctable deficiencies. Cost and price analysis of proposals should be performed by cost and pricing personnel and their assistance should be requested.
- b. Price and cost information should be evaluated by the appropriate committee and the board in terms of the proposed cost in order to assist in the determination of the competitive range. A more detailed cost and price analysis may be performed in appropriate cases.

- c. One of the principal aims of the board, in its detailed analysis of costs of those offerors in the competitive range, is to determine the validity of the proposed cost, the probable cost to the Government of each proposal, the probable cost differences among the offerors and their causes, and the level of the board's confidence in its analysis and projection of costs. If the board concludes that an offeror's approach or plan for accomplishing the work will require modification, the board should report the probable costs after such modification.
- d. All cost information including prime and subcontract amounts which are or should be present in an offeror's cost proposal are to be analyzed by the board and the board's estimate of probable cost to the Government for each proposal should be included in its report. In the analysis of cost proposals appropriate engineering or technical assessments should be made of the quantitative and qualitative factors and these should be used in preparing the cost analysis report. In the event that board members have different opinions as to the cost analysis, these differing opinions shall be reported.
- e. Cost may be used in the ultimate decision by the source selection official to judge the value of the work to be done and the quality of product or service to be furnished, and not as an addition to the cumulative score of the other analyses. To illustrate, assume three offerors in the competitive range with scores and cost estimates as follows:

<u>OFFEROR</u>	<u>TECHNICAL SCORE</u>	<u>BUS/MGT RATING</u>	<u>OFFEROR'S PROPOSED COST</u>	<u>PROBABLE COST</u>
A	925	Good	\$3.8 Mil.	\$4.7 Mil.
B	870	Outstanding	2.3 Mil.	2.8 Mil.
C	830	Poor	2.9 Mil.	3.1 Mil.

All three are technically acceptable, and identified weaknesses in each proposal are thought to be correctable in final negotiations. Offeror A's technical proposal is considered the best. Consistent with the language in the RFP regarding the relative importance of cost, the questions to be decided, in order to make the selection, are whether its proposal is worth the additional cost, and whether business/management factors enhance or detract from the proposal.

- f. If a complete detailed cost estimate is not necessary to select a contractor for certain types of requirements, e.g., operating contracts, discrete limited portions of the work may be broken out, such as overhead, and a detailed estimate requested covering such areas. In these situations, limited cost estimates together with data relating to cost control systems and innovative ideas should be requested for use in assessing the offeror's understanding of the requirements and to indicate his cost consciousness. In those cases where limited cost information is requested and analyzed, it will not normally play a major role in the selection. However, cost must always be a factor, even though relatively insignificant, in any selection.
- g. Assistance can be provided by the Office of the Controller in the evaluation of cost proposals. In special cases, and at the request of the board, the Office of the Controller will arrange for the development of an independent cost estimate.

405. Initial Ranking and Determination of Competitive Range

- a. Following review of committee reports, etc., each board member will complete an evaluation of each proposal and develop tentative strengths and weaknesses in relation to each evaluation criteria. After this has been accomplished the board as a whole should meet and discuss in detail the individual strengths and weaknesses developed by each board member and if possible arrive at a common understanding of the major strengths and weaknesses and the potential correctability of each proposer's weaknesses (Ref. Appendix 5). Each board member will then tentatively rate and rank the proposals remaining in the competition. Generally, and depending on the rating plan employed, ranking will be accomplished by totaling the numerical scores assigned by each voting member to the evaluation criteria and developing an average rating for each offeror.
- b. After the board has tentatively ranked the proposals remaining in competition, proposals will be reviewed to determine which are within the competitive range, considering the technical and business/management evaluations and price and cost considerations. In making this determination, the board will evaluate the potential for improving the competitive position of the proposals by written and/or oral discussions. A proposal is in the competitive range unless it is so technically inferior or out of line with regard to price (cost) that meaningful negotiations are precluded. To put it another way, a proposal is in the competitive range unless there is no real possibility, taking into account the other more acceptable proposals, that it can be improved to the point where it becomes the most acceptable. The competitive range should not be reduced to a single offeror without coordinating with the SSO.

- c. There is no purpose in considering a proposal to be in the competitive range simply because it could be improved to the point where it would be acceptable to the Government if better proposals were not submitted, when, in fact, such better proposals have been received. For this reason, it is not proper to establish eligibility on the basis of a predetermined passing grade. Instead, the rating actually achieved and the assessed strengths and weaknesses must be the basis for establishing the competitive range.
- d. When proposals are determined not to be in the competitive range, they should be eliminated from further evaluation and the proposers promptly notified in writing by the SEB Chairperson. Such notification shall include a brief statement of the board's rationale. The report and presentation to the source selection official requires that each proposal received be commented on by the board; therefore, detailed documentation of the reasons for eliminating any proposal from consideration will be prepared by the board as its evaluation proceeds.

406. Verification of Offeror's Experience

- a. The source evaluation process not only contemplates a thorough appraisal of prospective contractors' proposals but also requires consideration of other information bearing on the probability of quality and timely performance, the logic of the proposed plan of execution, the realism of estimated costs and the responsibility and cost-consciousness of the offeror's management. Past performance may indicate what an organization may do if awarded a contract. The board will therefore verify for offers in the competitive range such matters as:
 - Management and technical capability of personnel,
 - Availability of existing facilities (both Government-owned and contractor-owned),
 - Adequacy of the offeror's accounting practices and cost controls,
 - Offeror's record in forecasting and meeting program schedules, and
 - Offeror's record of performance on DOE or other projects.
- b. Pre-award surveys, facility capability reports, procurement system reviews and audit reports which bear on an offeror's performance and capabilities may be available from other Government offices.
- c. In checking an offeror's capabilities, experience and record of performance, the checks should be directed toward comparable and related projects, e.g., facilities used, type, scope and complexity of work to be performed, organizational entities involved and

personnel requirements. Generally, the chairperson of the business management committee will be responsible for obtaining such historical and experience data as may be necessary to satisfy the board as to an offeror's capability and record of performance.

- d. Board records will reflect the information considered and the source(s) from which obtained, together with any explanations or corrective actions indicated by offerors whose previous performance had been criticized. In addition, the board should also check on the offeror's equal employment opportunity program and small business and minority business programs. Comments should be obtained in regard to compliance with existing Government requirements in these areas and plans for the future if they are selected for the procurement.
- e. Information relating to each offeror's financial capabilities covering financing arrangements, balance sheet, profit and loss experience, cash flow, etc., and performance should be obtained, evaluated and commented on. Information relating to the areas covered on the Fact Sheet (Appendix #6) should also be obtained and a separate Fact Sheet should be prepared on each offeror in the competitive range.
- f. Prior compliance of the offeror with previous small business and disadvantaged business subcontracting plans shall be considered in determining responsibility for award of the contract.

407. Visits to Offerors Facilities

- a. Inspections at the facilities of competing offerors may be a valuable part of the board's evaluation process and could be conducted at the same time as the written and/or oral discussions. For instance, in procurements where significant experimental research, developmental testing, fabrication or other work (the quality of which may be affected by an offeror's plant or facilities) is to be performed, a complete evaluation normally would require an on-site visit by the board. For other procurements, such as certain service-type contracts, facility inspections may serve no useful purpose.
- b. Actual visits to the facilities of competing offerors should be made prior to completion of the board's work unless it is determined by the chairperson, in consultation with the board members, that such visits would not help the board determine the relative capabilities of the competitors.
- c. Preliminary planning is essential to effective facility visits. The board must decide what it wants to see and discuss, and with whom, keeping in mind that each offeror is to receive equal treatment and the opportunity to demonstrate its capability, capacity and interest. To make the visits more productive, selected questions and a tentative agenda should be provided in

advance to each offeror being visited. In addition, arrangements conducive to the accomplishment of the visit's purposes must be made prior to the visit. While courtesy requires that an offeror be permitted appropriate welcoming and general remarks, steps should be taken to avoid elaborate presentations and briefings; these use up valuable time. Information and impressions gained during facility inspection should be reflected in the ultimate evaluation by the board. Asking similar questions of all offerors permits a ready basis of comparison. The size of the group should be kept small. A full day for visiting each offeror ordinarily will permit adequate and equal opportunity for discussions.

408. Written and/or Oral Discussions

- a. The board will conduct written and/or oral discussions with all offerors whose proposals are in the competitive range. The extent of discussions will depend on the circumstances of the procurement and the proposals submitted. The board should be careful in its written and/or oral discussions to avoid technical transference or technical leveling between offerors. Discussions should be sufficiently probing and detailed to assure the Board's understanding of the proposal. SEB members should employ oral discussions as a means of evaluating the abilities of personnel proposed by the offeror and their comprehensions of the offeror's proposal.

The aims of such discussions are to:

- Assess the project team to be assigned to the project and other key personnel.
- Review, with the offeror and with cognizant Government personnel, experience on related projects, particularly to permit the offeror to explain any adverse aspects of its performance record and any remedial action taken.
- Clarify any aspects of the proposal.
- Gauge the degree of capacity and interest to undertake the project in light of other work planned or in process.

- b. Research, Development, Demonstration, Operating and Management Contracts

1. For research, development, demonstration, operating and management contracts the discussions are intended to assist the SEB: in understanding fully the proposals and their strengths and weaknesses based upon the individual efforts of each proposer; in assuring that the meanings and points of emphasis of RFP provisions have been adequately conveyed to

the offerors so that all are competing equally on the basis intended by the Government; in evaluating the personnel proposed by each firm; and in presenting a report to the selection official that makes the differences among proposals clear and visible.

2. In all research, development, demonstration, operating and management contracts, the board shall point out aspects of the proposal which are not clear, or which are not substantiated.
3. However, where the meaning of a proposal is clear and the proposal contains a weakness which is inherent in an offeror's management, engineering or scientific judgment, or is the result of its own lack of competence or inventiveness in preparing its proposal, the board shall not point out that weakness, unless this can be done without risk of technical transference or the divulgence of other offerors proprietary concepts. Discussions are useful in ascertaining the presence or absence of strengths and weaknesses. Understanding of the meaning and validity of the proposed approaches, solutions and cost estimates is essential to a sound selection. Offerors should not be informed of the relative strengths or weaknesses of their proposals in relation to those of other proposers. In the course of discussions, Government participants should be careful not to transmit information which could give leads to one proposer as to how its proposal may be improved or which could reveal a competitor's ideas.
4. The foregoing guidelines are not all-inclusive; careful judgment must be exercised in the light of all the circumstances of each procurement to promote the most advantageous selection from the standpoint of the Government while at the same time maintaining the fairness of the competitive process.

c. Contracts other than Research, Development, Demonstration, Operating and Management -

1. For other than research, development, demonstration, operating and management contracts the specifications ordinarily describe the Government's requirements with more particularity than is possible in research, development, demonstration, operating and management contracts and therefore less emphasis is placed on offeror's introduction of scientific, engineering and management innovations. For these types of procurements the board will conduct discussions in accordance with the provisions of the above paragraphs except for the following difference.

2. The board, in written or oral discussions, shall point out instances in which aspects of a proposal contains a weakness in relation to the Government's requirements. But, as provided above, the board shall neither point out the relative strengths or weaknesses of a proposal in relation to those of other proposers, nor transmit information which could give leads to one proposer as to how its proposal may be improved or which could reveal a competitor's ideas.
- d. Cost Information - The board shall point out cost or price elements that do not appear justified and encourage offerors to submit their most favorable cost proposals. Care must be exercised not to disclose to any offeror its relative position with respect to others in competition.
- e. Documentation - Written reports will be made of the areas covered during written and/or oral discussions.
- f. Common Cutoff Date - Each offeror shall be given a reasonable opportunity, with a common cutoff date for all, to support and clarify its proposal. An offeror may, on its own initiative, revise its proposal and make corrections or improvements until the established cutoff date.
- g. Discussions vs. Negotiations - Discussions normally refer to those communications between the Government and the offerors which serve, up to the point of source selection, to point out ambiguities, uncertainties and, where appropriate, weaknesses in proposals. (When the source selection official has directed additional discussions leading to best and final offers in the form of fully definitized contractual instruments, discussions shall be as provided in Section 603.) The term "negotiations" normally refers to the process of definitizing a final agreement on price, terms and conditions with a selected firm, although no factor which could have had any effect on the selection process may be changed. Negotiations with a selected firm necessarily take place following the common cutoff date imposed for formal proposal revisions during the discussions phase. Negotiations, in this sense, are not subject to an imposed common cutoff date although the Government may impose deadlines during the negotiation process.

409. Comparison of Proposals in Competitive Range

Following the common cutoff date for receipt of any clarification, support or revised proposals, the board will continue its evaluation. Depending on the nature of information received, the chairperson

may reconvene the committees to perform additional evaluation of their respective areas in the light of new information received.

- a. In its evaluation, the board should give careful consideration to information received relating to offeror's experience, financial capabilities, equal employment opportunity programs, and small business and minority business programs.
- b. The tentative strengths and weaknesses developed on those offers in the competitive range should be reviewed in detail and modified as appropriate based upon all information now available to the board. The rationale for any changes to the tentative strengths and weaknesses should be clearly documented. After full discussion and development of the final strengths and weaknesses, each voting board member should prepare a final rating sheet for each offeror in the competitive range.

410. Final Ranking of Proposals

The final evaluation is to arrive at findings and conclusions which will permit the source selection official to select the particular proposal which offers the best promise of achieving the procurement objectives. After determining the board ratings and or rankings based on the technical and business/management evaluation criteria, the board will reevaluate the price/cost information submitted and develop the probable cost to the Government for each offer in the competitive range.

CHAPTER V

SEB REPORT

501. Preparation of SEB Report

- a. The board will prepare a report of its findings and conclusions. These findings and conclusions shall set forth the consensus of the board and composite ratings, depending on the rating system used. The report should discuss the proposals in the descending order of competitive ranking. All members will sign the report as confirmation that it represents their collective opinion. All reports will be serially numbered and controlled by the secretary of the board.
- b. If any board member has serious reservations concerning any part of a proposal these will be discussed in detail and considered by the board for possible adjustment of the rating and ranking. If the differences cannot be resolved and the deficiency, if existing, could be considered critical to the effort, the member's position will be made an annex to the board report.
- c. In extraordinary circumstances, should it become apparent to the SEB that adherence to the established criteria, weights or rating plan will result in substantial error in ranking the proposals, the board will report this to the SSO thru the SEB Secretariat for direction.

502. SEB Report Outline

This section provides guidance on the format and content of the SEB report to the source selection official. This guidance is appropriate for most procurements. If a specific procurement has peculiarities which cause the proposed format to be impractical, the chairperson may alter it. The depth of detail and the use of schedules or other information is governed by the nature and scope of the subject being presented.

The SEB report will contain a title page (Appendix #7), a foreword page (Appendix #8) and a table of contents, including page numbers, consistent with the SEB Report Outline that follows.

SEB REPORT OUTLINE

A. EXECUTIVE SUMMARY

1. Description of Procurement and RFP - Briefly describe the work or services being procured, the qualification criteria, evaluation criteria and price/cost considerations.
2. Proposals Received - Indicate number of organizations that were sent an RFP and list in alphabetical order each of the organizations that submitted a proposal.
3. Determination of Competitive Range - Indicate rationale followed by the board in determining the competitive range. List the offerors by technical and business/management ranking, indicating ratings and price/cost considerations in relation to each proposal.
4. Final Ranking - Indicate major reasons for final technical and business/management rankings. Include the final technical and business/management ratings and price/cost considerations in relation to each proposal.
5. Special Considerations - Include any areas that would be of special interest to the source selection official, i.e., significant objections or complaints received during SEB process, time constraints on contract award, potential organizational conflicts of interest, determinations to be made by the SSO, legislative authorizations, etc.

B. DESCRIPTION OF THE WORK OR SERVICES

1. The Procurement - Provide a narrative description of the work or services being procured together with the objectives. Explain any procurement history and follow-on effort which has been programmed or for which program approval is to be requested. Describe relationship with other efforts in process or planned. Explain any particular technical complexities which had an important effect on the solicitation of sources or the evaluation of proposals.
2. Program Approval - Identify the approval document which authorized the procurement, showing title and numerical identification, date approved and title of approving official.

3. Funding - State the funding applicable to the effort as follows:

- a. Total Government estimated amount of the contract.
- b. Estimated amount to be initially obligated in the contract.
- c. Estimated cost of follow-on effort to be procured under a separate contract.
- d. Specific appropriations, if applicable.

4. Procurement Approach - Discuss any special procurement considerations which applied to the procurement. Give reasons for proposed contract type.

C. BOARD MEMBERSHIP AND CHRONOLOGY

1. Board Membership - Provide the name, functional title and organizational assignment of the chairperson, members, secretary, legal member (nonvoting), ex-officio members and any committee members and advisors used by the board.

2. Chronology - Provide a chronology of major events connected with the source evaluation, such as:

- a. Date of establishment of board by selection official.
- b. Date or dates the board approved the evaluation criteria, criteria definitions, weights, source list and RFP.
- c. Date RFP was issued.
- d. Date and place of preproposal conference.
- e. Closing date for submission of original proposals.
- f. Date of beginning of proposal evaluation by the board.
- g. Date or dates and disposition of any late proposals or late modifications received.
- h. Date of initial rating of proposals.
- i. Date of determination of competitive range.
- j. Date or dates of verification of offerors' experience and record of past performance.
- k. Date or dates and place of discussions with offerors.
- l. Common cutoff date for receipt of any clarification, support or revised proposals.
- m. Date board completed its evaluation and arrived at final rating of proposals.
- n. Date of completion of SEB report.

D. REQUEST FOR PROPOSALS

1. Qualification Criteria - State the specific qualification criteria included in the RFP and explain why each was necessary.

2. Evaluation Criteria - State the technical and business/management evaluation criteria, their definitions and the relative importance of each. Explain the rationale for the relative importance assigned to each evaluation criterion. Set forth excerpts from the RFP which describe the evaluation criteria and their relative importance.
3. Price and Cost Considerations - Include excerpts from the RFP dealing with price and cost factors and any cost sharing arrangements. Indicate relative importance of cost in the evaluation.
4. Amendments to RFP - Describe each amendment to the RFP and the reasons therefore.
5. Development of Source List - Indicate the methodology and rationale used in the development of the source list. Include the date of the CBD announcement and the total number of firms that were sent an RFP.
6. Preproposal Conference - State the date and place held and number of organizations represented.
7. Organizational Conflicts of Interest - If the RFP included coverage of organizational conflicts of interest matters, so state.

E. EVALUATION PROCESS

1. Proposals Received - List in alphabetical order the offerors submitting proposals indicating the name and address of each offeror and major subcontractors.
2. Methodology Used to Evaluate Proposals - Describe the methodology used by the board to evaluate proposals indicating the role of the board members, committees, and advisors, and any other individuals or organizations that participated in the evaluation process. Describe the rating plan and techniques used by the board in relation to the evaluation criteria.
3. Basis for Elimination of Proposals Before Initial Ratings - Indicate the reasons for elimination of any proposals before the initial ratings such as late proposals, proposals not meeting the qualification criteria, totally unacceptable proposals, etc.
4. Description of Technical Aspects of Proposals - Briefly describe the technical aspects of each proposal still in the competition.

5. Initial Ranking of Proposals - Describe the approach used in arriving at the initial technical and business/management ratings and rankings indicating the ratings and major strengths and weaknesses identified at this stage of the process for each offeror in descending order of competitive ranking. In addition, describe the evaluation of price and cost information.
6. Determination of Competitive Range - Describe the rationale used to determine the competitive range. Indicate the consideration given to strengths and weaknesses, potential for improving the competitive position of proposals by written and/or oral discussions, technical and business/management ratings and price/cost information. Also provide the basis for not including proposals in the competitive range especially at the break point (in the competitive range vis-a-vis outside the competitive range).
7. Verification of Offeror's Experience - For each offeror in the competitive range, describe method used to verify experience and record of performance and results of such verification. Provide comments in regard to technical, schedule and cost performance on major contracts performed for the Government.
8. Changes to Initial Ranking of Proposals - Indicate the rationale for any changes to the technical or business/management ratings and rankings or price/cost considerations as a result of written/oral discussions, clarification and support, revisions, etc. Provide a summary of the primary points covered during written and/or oral discussions.
9. Final Ranking of Proposals - Provide the final board technical and business/management ratings and or rankings in the descending order of competitive ranking and major price and cost considerations in regard to each proposal in the competitive range. Indicate the relative rankings by technical and business/management criteria. In addition, provide in summary form the significant differences among proposals.

10. Description of Final Revised Proposals in Competitive Range - Provide in narrative form in the descending order of competitive ranking:

- a. An expanded description of the technical and business/management aspects of each final revised proposal in the competitive range in order to present an overview and understanding of each proposer's approach.
- b. The major strengths and weaknesses for each offeror in the competitive range relating each strength or weakness to the appropriate criterion. Estimate the potential for correction of the major weaknesses identified. State the board's estimate of any significant change in price/cost that would result from the correction of weaknesses during negotiations after selection.
- c. Each offeror's estimated price/cost in the traditional breakdown (material, labor, overhead, general and administrative, fee, etc.) and provide the board's evaluation of each final revised proposal in the competitive range. Comment on the validity of the proposed price and cost, describe the differences among offerors, the probable price and cost to the Government of each proposal and the probable cost differences among offerors and their causes.

11. Limited Cost Considerations - In those procurements where only limited cost information is requested due to the nature of the procurement, e.g., operating contracts, the report should describe the cost information requested and obtained. This description should comment, as appropriate, on the validity of the proposed cost, the differences among offerors, the probable cost to the Government of each proposal and the probable cost differences among offerors and their causes. Comments should also be provided in regard to the importance of this area in the evaluation process as stated in the RFP.

12. Objections or Complaints Received - Describe in detail any objections or complaints received during the SEB process, e.g., RFP, proposal due date, cutoff date for clarification, possible or actual protests, etc. Describe any procedural irregularities or special problems faced by the board.

13. Organizational Conflicts of Interest - If the RFP included coverage of organizational conflicts of interest matters, describe the manner in which the Board discharged its responsibilities and discuss any relevant information obtained.

F. ADDITIONAL CONSIDERATIONS FOR OFFERORS IN COMPETITIVE RANGE

1. Offerors' Financial Capabilities - Provide information to reflect the offerors' financial capabilities as needed to perform under the proposed contract, e.g., describe financing arrangements, comment on offerors' balance sheet, profit and loss experience, cash flow, etc.
2. Offerors' EEO, Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals Programs. Provide comments in regard to each of the above areas based upon information received in proposals and from other sources.
3. Special Areas of Concern - Provide any information that is of special concern or may be helpful to the source selection official, e.g., organizational conflict of interest.

G. ATTACHMENTS

1. Fact sheet on each offeror in the competitive range.
2. Briefing charts.

CHAPTER VI

PRESENTATION TO SOURCE SELECTION OFFICIAL

601. Suggested Briefing Charts

This section prescribes the requirements and procedures for the board's presentation to the source selection official. While the provisions of this section are directed specifically to the board presentation to members of the Office of The Secretary, when they act as the source selection official, the basic requirements and responsibilities apply to all source evaluation board presentations.

The chairperson of the board is responsible for conducting the presentation to the source selection official. It is the chairperson's function to convey the results of the boards deliberations in a manner calculated to permit an informed and objective selection of the best source for the particular procurement. The presentation should include vu-graph transparencies covering the following areas:

- Overview of Presentation - Briefly state those areas to be covered during the presentation and the decision or decisions to be made.
- Board Membership - Provide name, functional title, and organizational assignment of the chairperson, members, secretary, legal member (non voting), and ex-officio members.
- Description of Procurement - Briefly describe the work or services to be procured, and its relationship to the total project. Indicate type of contract contemplated, period and estimated amount. Indicate funding status by fiscal year.
- Chronology of Major Events - Provide a chronology of the major events of the source evaluation board's activities.
- Qualification Criteria - State the specific qualification criteria included in RFP and explain why each was necessary.
- Evaluation Criteria - State the technical and business/management criteria included in RFP, their definitions and their relative importance.
- Price and Cost Considerations - State the importance of price and cost in the evaluation and coverage included in RFP.

- Proposals Received - Indicate total number of RFPs issued and list in alphabetical order each of the firms submitting a proposal.
- Proposals Eliminated before Initial Rating - Indicate rationale for elimination of each proposal before the initial board rating.
- Initial Ranking - List the offerors remaining in the competition in descending order of competitive ranking indicating: name of offeror, technical rating, business/management rating, proposed cost and probable cost.
- Proposals Eliminated from the Competitive Range - Indicate rationale for elimination of each proposal from the competitive range.
- Determination of Competitive Range - List the offerors in the competitive range in descending order of competitive ranking indicating: name of offeror, technical rating, business/management rating and proposed and probable cost. Describe rationale followed by the board in determining the competitive range especially at the break point.
- Changes Due to Written/Oral Discussions, Revisions etc. - List the offerors in the competitive range in descending order of competitive ranking indicating: name of offeror, major reasons for changes to the initial rating and ranking.
- Final Ranking - List the offerors in the competitive range in descending order of competitive ranking indicating: name of offeror, technical rating, business/management rating and proposed cost and probable cost.
- Description of Each Proposal in the Competitive Range - Describe the technical and business/management aspects of each proposal in the competitive range in order to present an overview and understanding of each proposer's approach. Use graphics of the proposed design, management, or organization and other matters which are effectively conveyed in that manner.
- Strengths and Weaknesses - In descending order of the offeror's overall technical ranking, indicate criterion by criterion, the major strengths and weaknesses of each offeror in the competitive range. Indicate the estimated cost of correcting weaknesses that could have a significant cost impact.

- Limited Cost Considerations - In those cases where only limited cost information is obtained, describe information obtained and its significance in the evaluation.
- Organizational Conflicts of Interest - Whenever offerors are required to disclose information relating to organizational conflicts of interest provide the results of these disclosures and other pertinent information. Indicate any problems relating to conflicts of interest.
- Summary - Highlight reasons for rankings of offerors. Describe roles of offerors - management team, associate contractors, major subcontractors, etc.
- Summary Table -

<u>Proposal</u>	<u>Initial Tech. Score</u>	<u>Final Tech. Score</u>	<u>Bus/Mgt Rating</u>	<u>Proposed Cost</u>	<u>Probable Cost</u>	<u>Ind. Cost Estimate</u>
A						
B						
C						

- Future Actions - Indicate any special areas that may be of interest to the source selection official, the negotiation team, expected award date, etc.

602. Arrangements for Presentations

- a. Normally, the oral presentation to the selection official will be preceded by a preliminary presentation to the cognizant program official one level below the SSO and to the Director, Procurement and Contracts Management Directorate and the Assistant General Counsel for Procurement. The SEB Secretariat will make the necessary arrangements for these presentations and authorize admission to the presentation. The presentations will be composed of two basic parts, a written board report and oral briefing supported by pertinent graphic or illustrative material. The Director, Procurement and Contracts Management Directorate will assure that the presentation is arranged and conducted in a business like manner, is complete and informative and the supporting data to be presented is kept to the minimum necessary for a final decision. To assist in this responsibility the SEB Secretariat will work with the the chairperson of the board in reviewing the draft final report and briefing prior to the preliminary presentation. As a result of the preliminary presentation, the board may be directed to reconvene to pursue procedural omissions or to revise the method of presentation; however, it may not be directed to change the criteria, weights or rating plan used or change the proposal ratings or rankings.

- b. The SEB Secretariat shall determine when the board findings and conclusions are to be presented to the selection official, arrange the time and place of presentation, determine after recommendation by the chairperson, who will attend the final presentation, and assure that all appropriate DOE officials involved in a particular procurement are formally requested to attend the presentation. The board chairperson will organize and personally make the oral presentation first to the cognizant senior program official and then to the selection official.
- c. The board chairperson will distribute a copy of the SEB report, five days in advance of the preliminary presentation to each individual invited to the preliminary presentation by the Director, Procurement and Contracts Management Directorate. Following the presentation to the selection official, a copy of the SEB report may be retained by the selection official, the cognizant senior program official, and the SEB Secretariat. All other copies except as otherwise directed by the Director, Procurement and Contracts Management Directorate will be collected by the board executive secretary and placed in the official SEB files.

603. Selection Decision

- a. After the presentation by the SEB chairperson, the source selection official will normally hold an executive session that will be attended by key senior staff personnel representing the various disciplines e.g. program office, controller, counsel, procurement, and the chairperson of the SEB. During this session, the report and presentation will be discussed together with other information available to the senior staff and the source selection official. The outcome of the executive session might indicate a need for additional information or time to study the alternatives or the selection decision.
- b. (1) The SEB procedures are intended to provide the Source Selection Official with sufficient information to select an offeror (or offerors) for negotiation on the basis of its proposals. However, it is within the discretion of the Source Selection Official to direct discussions be reopened and that best and final offers be obtained on the basis of fully definitized contractual instruments. If the Source Selection Official so directs, the SEB Secretariat shall prepare a letter, with the advice and assistance of the legal member, for the signature of the Source Selection Official setting forth any special instructions. The Source Selection Official may, at this time, establish or direct the SEB to establish a new or revised competitive range. Any offerors eliminated from further consideration shall be promptly notified in writing by the SEB Chairperson.

- (2) Additional discussions should be conducted by ad hoc contract definitization teams headed by experience contract negotiators. Where appropriate, separate teams may be appointed for each offeror; however, care should be taken to assure that each of the team's actions are coordinated so as to provide a common and equitable basis for evaluation of the best and final offers. For this reason, the chief procurement officer of the activity supporting the SEB should designate a senior procurement official with general oversight responsibilities to ensure, in cooperation with the SEB, that team actions are so coordinated.
- (3) Such additional discussions should have as their objective finalized offers in the form of complete contract documents which are the most advantageous to the Government obtainable from each offeror. The teams should seek correction of each offeror's correctable weaknesses using whatever technical and other information which the Government is entitled to use for this purpose. Care should be taken to avoid transferring the ideas of one offeror to another. Similarly, the most favorable prices, estimated costs, fees, contractual terms, and business arrangements should be sought without engaging in "auctioning" techniques. Each team is responsible for assuring to the extent possible that the advantages and disadvantages of the terms and arrangements are identified and that offerors are informed of terms and arrangements which may cause their proposal to be significantly downgraded.
- (4) Upon completion of such discussions, the Board shall furnish each offeror with a contractual instrument reflecting the negotiating team's understanding of the position of the offeror as developed by these discussions and shall request each offeror to submit, by a time common to all offerors, its best and final offer on the basis of such instruments fully executed by the offerors.
- (5) Upon receipt of complete contract documents signed by the offerors, the SEB shall conduct a final evaluation, focusing on a comparative analysis of the offers, their relative strengths and weaknesses, their negotiated cost business arrangements and any other factors which might influence the selection.
- (6) After completing this evaluation, the SEB shall submit a written report of its findings and conclusions to the Source Selection Official.

- (7) The written report shall include the following:
- Brief discussion of significant weaknesses and strengths of the proposals with emphasis on key discriminators;
 - Changes to the strengths and weaknesses as a result of the additional discussions;
 - Comparative analysis of the results of the additional discussions, identifying the advantages and disadvantages of each offeror in terms of the most favorable arrangement for the Government;
 - How instructions given by the Source Selection Official were carried out;
 - Other information that should be considered by the Source Selection Official.
- (8) The SEB Secretariat shall then make arrangements for a presentation to the Source Selection Official, which official shall then select the contract offering the most favorable terms to the Government, technical, cost, business terms and other factors considered.

CHAPTER VII

ACTIONS AFTER SELECTION DECISION

701. Preparation of Selection Statement

After the selection decision has been made, the Office of General Counsel will prepare the selection statement which will record the rationale for the decision. The selection statement will be formally coordinated prior to submission to the source selection official with the chairperson of the SEB and the SEB Secretariat. The selection statement will not contain specific weights, or scores. It should be concise and self contained and include the following:

- Brief description of the procurement.
- Number of organizations solicited and names of organizations submitting proposals.
- Competitive range determination and rationale for other eliminations of proposals.
- Description of proposals in competitive range together with discussions of significant strengths and weaknesses.
- Selection decision and rationale.

The source selection official will sign and date the selection statement; the original will be sent to the SEB Secretariat.

702. Notifications and Announcements

Prior to the presentation to the source selection official the SEB Secretariat in coordination with the program office, SEB chairperson and appropriate staff will prepare a tentative plan that will provide for appropriate notifications and public announcements. Public announcements will be coordinated with the SEB Secretariat and may be released prior to completion of the source selection statement if approved by the SSO.

703. Negotiation Instructions

The Director, Procurement and Contracts Management Directorate (SEB Secretariat) will send negotiation instructions, contract review and approval requirements and the original of the selection statement to the cognizant procurement office.

704. Debriefing of Unsuccessful Offerors

Upon written request, unsuccessful offerors, those eliminated from the competition at earlier stages, as well as those in contention up to the final selection, will be accorded formal debriefings, ordinarily by the board chairperson, with the assistance of the procurement representative and others as

appropriate. These debriefings will be confined, as much as possible, to the areas in which the offeror could have improved its proposal, and will not reveal confidential business information nor discuss the relative merits of other proposals to any greater extent than the selection statement. A copy of the selection statement should be made available at the debriefings as a means of conveying the Government's overall selection rationale. Debriefings will be provided at the earliest feasible time which normally shall be after announcement of the selection decision and prior to the award of the contract. However, where the exigency of the situation will not permit delaying the award in order to debrief unsuccessful offerors, such debriefing may be conducted after award.

- b. The purpose of the debriefing is to enable the organization to understand why its proposal was not selected with the objective of improvement of future proposals submitted to the Government. Therefore, no comparisons will be made to other offerors' proposals and the specific weights and scoring will not be revealed or discussed. The debriefings should ordinarily comment on the following areas:

- Overview of SEB process
- Review of RFP
- Discussion of weaknesses in offeror's proposal using the RFP and selection statement to prepare for the debriefing
- Questions by offeror
- Request for comments from the offeror on the SEB process, e.g., RFP, preproposal conference, field visits, etc.

- c. A record of each debriefing will be prepared and signed by the chairperson and included in the SEB file.

705. Transfer/Disposal of Files

During the course of its activities the board will accumulate certain data or documentation. Such documentation, or back-up material, normally will include; summaries of board meetings, the RFP, proposals, working papers, such as rating or scoring sheets and check lists, and committee reports. These papers constitute the basis for the board report and will be preserved. After the board has completed its activities, the official SEB files will be purged of excess copies of material including SEB

reports and transferred to the procurement office that will be responsible for negotiating the contract. A complete copy of each proposal received will be retained in the official files. In the case of the successful offeror, additional copies of the proposal and any modifications should be retained for use during negotiation and administration of the resulting contract.

SAMPLE LETTER ESTABLISHING AN SEB

TO: (Board Chairperson)

FROM: (Source Selection Official)

SOURCE EVALUATION BOARD FOR _____
(Title of SEB)

Pursuant to Chapter 1 of the DOE Source Evaluation Board Handbook, I hereby designate the following individuals to serve as members of the Source Evaluation Board for _____
(Title of SEB)

Chairperson: _____
Name, Functional Title, Organizational Assignment

Other Members: _____
Name, Functional Title, Organizational Assignment

Executive Secretary: _____
Name, Functional Title, Organization Assignment

Legal Member: _____
(Nonvoting) Name, Functional Title, Organizational Assignment

Ex-Officio Members: _____
Name, Functional Title, Organizational Assignment

The Source Evaluation Board will conduct its business in accordance with the provisions of the DOE Source Evaluation Board Handbook and applicable policies and procedures in the FPR and DOE-PR. It will be the responsibility of the Chairperson to determine that the board members and other participants are fully conversant with the instructions contained in the cited publications especially those related to conflict of interest and non-disclosure of information. Board duties will take precedence over other normal duties of the board members. The SEB Secretariat will provide the Board with a briefing on the SEB process and any other assistance or guidance required in the performance of its duties.

The Chairperson of the SEB will convene the board as soon as possible to finalize the procurement plan/schedule and the RFP. After completing these tasks the Chairperson will submit the procurement plan/schedule to me through the SEB Secretariat. The RFP will be submitted to the Procurement and Contracts Management Directorate, Director, Program Support for review and comment by a solicitation review panel. After such review and appropriate modification, please arrange with the SEB Secretariat for a briefing to me prior to release of the RFP.

If a schedule slippage is anticipated which would delay the release of the RFP or the final presentation to me, please notify me through the SEB Secretariat.

All information shall be kept privy to the members of the board and to properly designated persons on a need-to-know basis. The right to information on a need-to-know basis, normally, does not extend to the normal chain of supervision affecting any member of the board. However, general progress reports on board activities may be made by the board Chairperson to ex-officio members and the source selection official.

Date

Source Selection Official

cc:
Director, Procurement and Contracts
Management Directorate
SEB Secretariat

DUTIES AND RESPONSIBILITIES OF THE SEB EXECUTIVE SECRETARY

The Executive Secretary, as the principal assistant to the board chairperson, will attend all board meetings as necessary, and subject to the direction of the chairperson, will accomplish such tasks as the following:

1. Obtain secure work areas for conduct of board activity.
2. Develop and implement procedures to control access to SEB work areas, to ensure safeguarding of board proceedings and data.
3. Obtain material, supplies and equipment needed by the board.
4. Obtain a signed confidentiality certificate from all board members, legal member, secretary, committee members and advisors.
5. Arrange for the preparation, reproduction, control and distribution of all material relating to the activity of the SEB and its committees. This includes source list, RFPs, informational reports, records of preproposal conference proceedings, proposals, oral discussions, rating sheets, press releases, etc.
6. Prepare and distribute agenda for board meetings.
7. Obtain and distribute applicable procedures, policies, instructions, etc., to board members and others involved.
8. Follow-up on action items assigned to board members to ensure the board's schedule is maintained.
9. Summarize board meetings, obtain the chairperson's approval and distribute copies to all board members and others as directed by the chairperson. Originals of the summaries will be retained in the official SEB files.
10. Assist in preparing and assembling the board's report and presentation charts and arranging for reproduction and distribution.
11. Schedule debriefings and prepare the appropriate record.
12. Dispose of all excess material with concurrence of chairperson.
13. After the formal selection announcement, accumulate package and forward documentation pertinent to the board's work to the cognizant procurement office for permanent retention.
14. Survey the area where board activity occurred and arrange for the return of equipment and materials as appropriate.

CONFIDENTIALITY

CERTIFICATE

TO; _____
(Chairperson, SEB)

In anticipation of my participation in the
_____, formed to evaluate the
(Name of Board, Committee)
proposals submitted in response to the request for proposals for
the _____, I certify that I will
(Description of Name of Project)
not disclose, except pursuant to the order of a court of competent
jurisdiction, any information either during the proceedings of the
source evaluation or any subsequent time, concerning the evaluation,
to anyone who is not also authorized access to the information by the
SEB Handbook, law or regulation, and then only to the extent that
such information is required in connection with such person's official
responsibilities. Furthermore, I will report to the Chairperson
any communication concerning the procurement or the board's composition
and activities directed to me from any source outside the board.

Name

Date

SAMPLE RATING SHEET

PROPOSER: _____ EVALUATOR: _____ DATE: _____

EVALUATION CRITERIA

ELEMENT*
WEIGHT X EVALUATION = POINTS

I. TECHNICAL CRITERIA

A. UNDERSTANDING OF AND COMPLIANCE WITH REQUIREMENTS	_____ X _____ = _____
B. SOUNDNESS OF TECHNICAL APPROACH	_____ X _____ = _____
C. KEY PERSONNEL/ALTERNATES	_____ X _____ = _____
D. PROGRAM/PROJECT TEAM'S EXPERIENCE	_____ X _____ = _____
E. FIRM'S EXPERIENCE ON SIMILAR PROJECTS	_____ X _____ = _____
TOTAL	_____ 100 _____ 1000 MAXIMUM RATING

SATISFACTORY

UNSATISFACTORY

II. BUSINESS MANAGEMENT CRITERIA

A. MANAGEMENT PLAN	_____	_____
B. MANAGEMENT CONTROL SYSTEM (QUALITY, SCHEDULE, COST)	_____	_____
C. MANAGEMENT'S COMMITMENT	_____	_____
D. COMPLIANCE WITH THE REQUEST FOR PROPOSAL- DRAFT CONTRACT	_____	_____
E. PAST PERFORMANCE AND PLANS FOR SMALL BUSINESS CONCERNS AND SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS PARTICIPATION.	_____	_____

III. COST CRITERIA

A. REALISM OF THE PROPOSED COST	_____	_____
B. PROBABLE COST TO THE GOVERNMENT	\$ _____	_____
C. TO THE EXTENT TOTAL OR COST ELEMENT CEILINGS WERE INCLUDED, THE MAXIMUM PROBABLE COST LIABILITY TO THE GOVERNMENT	\$ _____	_____

*Board members will evaluate such evaluation criteria and determine the rating to be inserted in the evaluation column using only the following numbers: 10, 8, 5, 2, 0

SAMPLE WORK SHEET

LIST OF STRENGTHS AND WEAKNESSES

PROPOSER: _____ EVALUATOR: _____ DATE: _____

	<u>MAJOR STRENGTHS</u>	<u>MAJOR WEAKNESSES</u>	<u>REQUIRED CORRECTION</u>
I. TECHNICAL CRITERIA			
A. UNDERSTANDING OF AND COMPLIANCE WITH REQUIREMENTS	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
B. ETC.	_____	_____	_____
II. BUSINESS MANAGEMENT CRITERIA			
A. MANAGEMENT PLAN	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
B. ETC.	_____	_____	_____
III. COST CRITERIA			
A. THE REALISM OF THE PROPOSED COST	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
B. PROBABLE COST TO THE GOVERNMENT	_____	_____	_____

FACT SHEET

Name of Offeror

Address

1. Name and address of the parent corporation and major affiliates or subsidiaries.
2. Place where offeror will perform work and identification of major personnel, facilities and financial resources that will be available.
3. Indicate offeror's sales volume for each of the past three years and projection for the period of performance for the proposed contract.
4. List major current contracts held by offeror indicating:
Customer, Description, Type of Contract, Amount, Completion Date.
5. Provide comments on technical, schedule and cost performance in regard to each contract listed in (4) above.
6. Other data as appropriate.

OFFICIAL USE ONLY

SOURCE EVALUATION BOARD REPORT

FOR

(TITLE OF SEB)

TO

(SOURCE SELECTION OFFICIAL)

DEPARTMENT OF ENERGY

(HQ OR FIELD OFFICE)

Date: _____

OFFICIAL USE ONLY

Appendix #7

OFFICIAL USE ONLY

FORWARD

THIS REPORT COVERS THE EVALUATION BY THE
SOURCE EVALUATION BOARD
FOR
(TITLE OF SEB)

Distribution is limited to those strictly on a need-to-know basis, and this material must be treated as "OFFICIAL USE ONLY". If transmitted by mail, the report must be sealed in an envelope addressed to the appropriate individual with the notation on the envelope as follows:

"TO BE OPENED ONLY BY ADDRESSEE,
CONTAINS SEB REPORT"

This report will be collected, after the presentation, to the source selection official. This report is submitted by:

(Name, Chairperson)

(Name, Member)

(Name, Member)

(Name, Member)

(Name, Member)

(Name, Legal Member (Nonvoting))

(Name, Executive Secretary)

OFFICIAL USE ONLY

United States
Department of Energy
Washington, DC 20545

Postage and Fees Paid
U.S. Department of Energy
DOE-350

Official Business
Penalty for Private Use, \$300

THIRD CLASS MAIL