

PART IV – REPRESENTATIONS AND INSTRUCTIONS

SECTION M

EVALUATION CRITERIA FOR AWARD

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SECTION M

EVALUATION CRITERIA FOR AWARD

M.1 FAR 52.217-5 EVALUATION OF OPTIONS (JUL 1990)

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

M.2 EVALUATION OF PROPOSALS

- (a) This acquisition will be conducted pursuant to the policies and procedures in Federal Acquisition Regulation (FAR) Part 15 and Department of Energy Acquisition Regulation (DEAR) Part 915. A Source Evaluation Board (SEB) will evaluate proposals using the criteria in this Section M. The Source Selection Official (SSO) will select an offeror for Contract award using the best value analysis described in this Section M.
- (b) The instructions set forth in Section L are designed to provide guidance to the Offeror concerning the documentation that will be evaluated by the SEB. The Offeror shall furnish adequate and specific information in its response. A proposal shall 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, a proposal will be deemed unacceptable if it does not represent a reasonable initial effort to address itself to the essential requirements of the solicitation, or if it clearly demonstrates that the Offeror does not understand the requirements of the solicitation. An overall rating of unsatisfactory in one evaluation criterion may also result in elimination of the proposal from further consideration regardless of the rating of the other criteria. In the event that a proposal is rejected, a notice will be sent to the Offeror stating the reason(s) that the proposal will not be considered for further evaluation under this solicitation.
- (c) The Government intends to evaluate proposals and award a Contract without discussions with offerors (except clarifications as described in FAR 15.306(a)). The Government reserves the right to conduct discussions if the Contracting Officer later determines discussions to be necessary. Any exceptions or deviations by the Offeror to the terms and conditions stated in this solicitation for inclusion in the resulting Contract may make the offer unacceptable for award without discussion. In an Offeror proposes exceptions to the terms and conditions of the Contract, the Government may make an award without discussions to another Offeror that did not take exception to the terms and conditions of the Contract.

- (d) Prior to selection for award by the SSO, the Contracting Officer will make a finding whether any possible Organizational Conflict of Interest (OCI) exists with respect to the apparent successful Offeror or whether there is little or no likelihood that such conflict exists. In making this finding, the Contracting Officer will consider the representation required by Section K Provision entitled “DEAR 952.209-8, Organizational Conflicts of Interest Disclosure-Advisory and Assistance Service.” Subparagraph (c)(1) of DEAR 952.209-8 requires a statement, if applicable, from the Offeror of any past, present, or currently planned financial, contractual, organizational, or other interests relating to the Performance Work Statement. The Offeror should note that Paragraph (c)(1) requires that the Offeror provide enough information in the statement to allow a meaningful evaluation by the Government of the potential effect of the interest on the performance of the Performance Work Statement. For any actual or significant potential organizational conflict of interest, the Offeror shall also submit a plan of actions/activities to avoid, neutralize, or mitigate such conflict. An award may be made if there is no OCI or if any OCI can be appropriately avoided, neutralized, or mitigated.
- (e) Federal Law prohibits the award of a Contract under a national security program to a company owned by an entity controlled by a foreign government unless the Secretary of Energy grants a waiver. In making this determination, the Government will consider the Offeror’s certification required by the Section K Provision, entitled “Certificate Pertaining to Foreign Interests.”
- (f) A Performance Guarantee Agreement in accordance with the requirements of Section H. H.9, Performance Guarantee Agreement, will, if applicable, be part of the responsibility determination and thus be a condition of the award of this Contract.
- (g) The Government will review all past performance information submitted by the Offeror. The Government may also contact the individuals identified in the completed Section L, Attachment F-1, Relevant Experience and Past Performance Information Reference Forms. The Government may contact sources other than those identified by the Offeror. The Government may also obtain relevant past performance information from available Federal Government electronic databases.

M.3 BASIS FOR AWARD

The Government anticipates the award of a single contract as a result of this solicitation to the responsible Offeror whose proposal is responsive to the solicitation and is determined to be the best value and most advantageous to the Government. Selection of the best value is determined through the process of evaluating strengths and weaknesses of each Offeror’s Technical Proposal in accordance with the evaluation criteria stated in Section M.

In determining the best value to the Government, the Technical Evaluation Criteria are significantly more important than evaluated price. Evaluated price is the Government-determined most probable cost for proposed key personnel and transition activities plus the proposed total available award fee for the base and option periods. The Government

is more concerned with obtaining a superior technical proposal than making an award at the lowest evaluated price. Thus, the closer or more similar in merit that the Offerors' technical proposals are evaluated to be, the more likely the evaluated price may be the determining factor in selection for award. However, the Government will not make an award at a price premium it considers disproportionate to the benefits associated with the evaluated superiority of one technical proposal over another. Evaluated price will not be point scored. The Government will assess whether the strengths and weaknesses between or among competing technical proposals indicate superiority from the standpoint of what the difference might mean in terms of anticipated performance and what the evaluated price to the Government would be to take advantage of the difference.

M.4 OVERALL RELATIVE IMPORTANCE OF EVALUATION CRITERIA

(a) Technical Evaluation Criteria

The proposals will be adjectively rated using the six technical evaluation criteria below:

- (1) Management Approach
- (2) Key Personnel
- (3) Organizational Structure
- (4) Past Performance
- (5) Relevant Experience
- (6) Transition Approach

Management Approach is the most important criterion. Key Personnel is of greater importance than each of the other individual criteria. Organizational Structure and Past Performance are of equal importance and when combined are equal in importance to Management Approach. Relevant Experience and Transition Approach each are the least important of the criteria but are of equal importance to each other and when combined are equal in importance to Key Personnel. Areas within an evaluation criterion are not sub-criteria and will not be individually rated but will be considered in the overall evaluation for that particular evaluation criterion.

(b) Cost Evaluation Criteria

In determining best value to the Government, the technical evaluation criteria, when combined, will be considered significantly more important than the cost evaluation criteria.

M.5 TECHNICAL EVALUATION CRITERIA

Each Offeror's proposal will be evaluated against the following technical evaluation criteria.

(a) Management Approach

DOE will evaluate the Offeror's approach to managing and operating activities at the Strategic Petroleum Reserve. DOE will evaluate the depth, quality, effectiveness, and completeness of the Offeror's proposed approach to performing work described in the PWS, including implementing a contractor assurance system that identifies and corrects deficiencies; developing budgets and establishing cost controls; achieving safe and environmentally responsible performance of work; assuring the operational readiness of the storage sites/facilities; managing a large workforce; ensuring the integrity, including optimal storage capacity, of the crude oil storage caverns; and identifying specific actions to reduce contract cost.

DOE will evaluate the commitment and availability of corporate resources to support efficient and effective contract performance.

In addition, DOE will evaluate the extent to which small business, HUBZone small business, small disadvantaged business, service disabled veteran-owned small business, and women-owned small business concerns are included in the Offeror's proposed approach to accomplish contract requirements, including mentor-protégés under mentor-protégé agreements, both in terms of the overall share of the work and the variety and complexity of the work to be performed.

(b) Key Personnel

Written Information:

DOE will evaluate the Key Personnel proposed by the Offeror for the successful accomplishment of the work to be performed under the contract. The proposed Key Personnel will be evaluated for demonstrated leadership; relevant experience and qualifications in performing work similar in size, scope, and complexity to the PWS; and qualifications (e.g. education, certifications, licenses) as presented in the resumes. Failure to submit resumes, with accurate information, and Letters of Commitment in the format shown may result in a lower rating.

Offerors and Key Personnel are advised that DOE may contact references and previous employers to verify the accuracy of resume information. Information found to be inaccurate may result in a lower rating.

Oral Presentation:

DOE will utilize individual key personnel interviews and a sample problem provided to the entire Key Personnel Team to evaluate the proposed Key Personnel on:

- Quality and effectiveness of the responses.
- Understanding and performance in their respective positions and as members of the Offeror's management team.
- Understanding of the management challenges posed by the operation of the Strategic Petroleum Reserve.
- Interaction and participation as an integrated management team.

(c) **Organizational Structure**

DOE will evaluate the Offeror's rationale for the proposed organizational structure for its providing an effective and efficient structure for the successful accomplishment of the work to be performed under the contract. DOE will evaluate the: organizational chart; rationale for organizational structure, including proper balance while promoting organizational efficiencies; roles and responsibilities and lines of authority; corporate officials and board of directors, including corporate oversight, corporate assurances, and resource commitments; teaming agreements; major subcontractors; features and benefits of the proposed organization; and organizational responsibilities.

(d) **Past Performance**

The Offeror's and its team members' (as defined in Section L.13) past performance will be evaluated on the basis of information furnished by the references identified in Section L and any other available sources. The Government will evaluate the quality of performance relative to the scope, size, and complexity to the work described in the solicitation. The Government will consider in its evaluation the degree of relevance, of the Offeror's past performance information. In the case of a newly formed joint venture partners, limited liability partnership, and/or LLC's, DOE will evaluate the past performance of each member that comprises the newly formed entity or LLC, including the past performance for the work proposed to be performed under the solicitation/PWS as well as past performance in managing and performing the overall work under the solicitation/PWS. DOE will evaluate major subcontractor(s) past performance commensurate with the portion of the work being performed under the solicitation/PWS.

The Relevant Experience and Past Performance Information Form (Attachment F-1) identified in Section L, submitted for Relevant Experience by the Offeror will be

used to collect the past performance information. During its evaluation, the DOE will review and consider all past performance information submitted by the Offeror or the Offeror's references, may contact some or all of the references provided by the Offeror, and may solicit past performance information from any other available sources including: the Past Performance Information Retrieval System (PPIRS) containing Contractor Performance Assessment Reporting Systems (CPARS); the Occurrence Reporting and Processing System (ORPS); and the Computerized Accident and Injury Reporting System (CAIRS). References other than those identified by the Offeror may be contacted and their input may be considered by the Government in the evaluation of the Offeror's past performance. DOE may check readily available Government records including pertinent DOE prime contracts, or commercial references for relevant past performance information. More relevant past performance information as well as more recent past performance information may be given greater consideration.

In the case of an Offeror without a record of relevant past performance or for whom information on relevant past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance.

(e) **Relevant Experience**

DOE will evaluate each Offeror (including each entity as defined in Section L.13) for its relevant experience in performing work similar in size, scope and complexity to that described in the solicitation/PWS, as well as the relevant experience in managing and performing the overall work under the solicitation/PWS. Size, scope and complexity are defined as follows: Size - dollar value and contract duration; scope - type of work; and complexity - performance challenges and risk. For each of the contracts, DOE will evaluate the relevant experience information on Relevant Experience and Past Performance Reference Information Form submitted by the Offeror, and expanded experience discussed in Volume II subject to the overall count limitation.

DOE will also evaluate the relevant experience of each of the Offeror's proposed major subcontractors as defined in Section L.13(c) in performing work similar in size, scope, and complexity to the work that the proposed major subcontractors are proposed to perform under the Offeror's approach to the PWS.

If the Offeror is a newly formed entity, DOE will evaluate the experience of the individual entity or entities that comprise the newly formed entity. If the Offeror is a joint venture, LLC, or other similar entity, DOE will evaluate the experience of the entities comprised of joint venture, LLC, or other similar entity.

(f) **Transition Approach**

DOE will evaluate the Offeror's proposed approach to transition activities, including: the process and planned activities for conducting a safe, orderly

transition; minimizing impacts on continuity of operations; identifying key issues and resolutions; the approach to overcoming barriers; and planned interactions with DOE, the incumbent SPR Contractor, incumbent employees, and other SPR Contractors. DOE will also evaluate the proposed implementation schedule, identified milestones and measurable commitments to determine whether the proposed approach is comprehensive, effective, yet cost efficient.

M.6 COST AND FEE EVALUATION CRITERIA

Cost proposals will be evaluated for cost reasonableness, realism, and completeness in accordance with FAR 15.404-1(d). The evaluation will include analysis of the Offeror's proposed fee, key personnel costs and transition activities costs to determine whether the proposed cost elements are realistic for the work to be performed, reflect a clear understanding of the requirements, and are consistent with the proposed key personnel costs and the methods of performance and materials described in the Offeror's approach to transition activities. The Government will determine the most probable cost for the Offeror's proposed key personnel costs and transition costs. The most probable cost will not be point scored or adjectively rated.

For purposes of determining the best value to the Government, the evaluated price will be the total of the proposed fee for the five-year base term and the five-year option, along with the most probable cost for key personnel and transition activities. The evaluated price will be considered in accordance with M.3, Basis for Award.