

# EVALUATION CRITERIA

## For Supplies and Simple Services



Bureau of Indian Affairs  
Acquisition Division  
June 2012

# Purpose

- Provide a user friendly guideline for writing evaluation criteria for simple supplies or services.
- What are evaluation criteria?
- Importance of the evaluation criteria.
- Common pitfalls in evaluation criteria.



2

The purpose of this presentation is to provide a user friendly resource and general guidance to the program office contracting officer's representatives who compile the necessary elements of a purchase request package. This information is targeted primarily towards CORs and technical experts who seek supplies and simple services. This presentation highlights what evaluation criteria are, why they are necessary, who writes them, and how the right evaluation criteria support a successful evaluation experience.

## The Players: Contracting Officer

- A person with the delegated authority to enter into, administer, and terminate contracts and make related determinations and findings (FAR 1.602-1)
- The person who requests and considers the advice of specialists, technical experts and others yet is granted wide latitude to exercise business judgment to independently decide whom to award the contract.
- Reviews, edits, and makes suggestions to the evaluation criteria drafter for government business sense and completeness.



3

Before we identify how to establish evaluation criteria, let's first briefly review who the players are and what their responsibilities are in this process.

The contracting officer is the sole designated government representative to industry whose independent decisions can bind the government. The CO also serves as the business advisor to the program offices through the COR. The CO reviews, edits, and makes suggestions to the evaluation criteria drafter for government business sense and completeness.

## The Players: COR

- Program personnel responsible for synthesizing and submitting all elements of the purchase request package and working with the CO. The COR has no authority to determine who the contractor will be.
- Responsible for writing (individually or with program team) and revising the evaluation criteria.
- COR responsibilities (to the contract) are delegated in writing by the contracting officer (FAR 1.604).



4

The COR has a few delegated contractual duties designated in writing by the CO. The COR should be the program's project manager or representative who is monitoring the work to be completed in the contract. However preaward, the COR creates the purchase request by supplying the necessary information in the purchase request package.

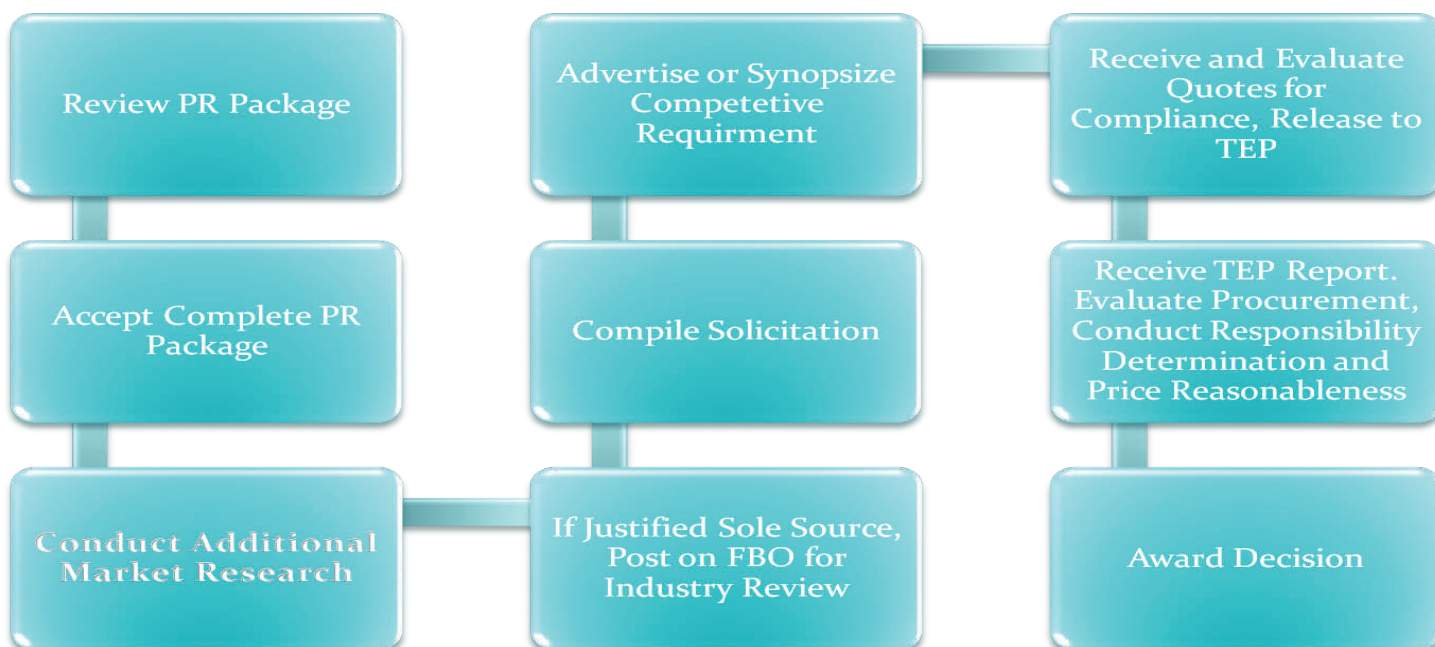
Although this briefing will not cover the procurement process itself, an overview of the major steps are included for both the COR and the CO.

## Purchase Request Process (COR)



5

## Simplified Procurement (CO)



# What are Evaluation Criteria?

- Part of the PR package
- Corresponds to the SOW or purchase description
- Tells competitors what is important



7

Evaluation criteria are part of a complete purchase request package. If the PR is for services, then the evaluation criteria align closely with the statement of work. For instance, the SOW states precisely what supplies or services the government is requesting. The technical evaluation factors clearly state the particulars which will be used in evaluating the quotes. If the PR is for supplies the evaluation criteria are usually based upon pass or fail of minimum technical standards.

Evaluation criteria can guide the competitors in preparing its quote. The quoter may choose to emphasize its strengths, structure its quote and its technical approach based upon the evaluation criteria. These are a few of the reasons it is important to understand and think through what evaluation criteria are.

# Best Value Continuum

**CO must *always* make a best value decision.**

- **Lowest Price Technically Acceptable (LPTA)**
  - Used when little difference between competitors
  - Typically identify technical minimums and evaluate quote based on a pass or fail basis
- **Trade Off (Price is not the highest rated factor)**
  - Used in acquisitions where multiple competitive options are possible
  - Based upon program risk

8

The CO *cannot* award a contract that is not in the best interest of the government and therefore must always make a best value decision. As one piece of the business decision, the CO must weigh several factors and determine what the best value to the government is. This is where the evaluation criteria and subsequent evaluation process become increasingly important. Within this continuum the acquisition team can use lowest price technically acceptable (LPTA) criteria or the trade off process. LPTA is used most frequently for simple commercial items or services where there is little distinguishable difference between contractors.

It is important to note the evaluation factors must be established by the government and published in the solicitation. In turn these published evaluation criteria *and only* these criteria are used to evaluate the quote. Unsuccessful contracts can result from poorly written SOWs and evaluation criteria which do not best fit with the government's need. Many programs can think the resulting contract is a "bad contract" but the contract may be troublesome because of a poorly written statement of work and evaluation criteria which do not allow for the best solution to come forward. Please keep this thought in mind. Well-written SOWs and evaluation criteria can make or break a project. The onus is on the program while the contracting officer is here to review the business need to align with government spending mandates and fair and equal opportunity to all competitors.

# LPTA Example

- Supply
  - Carton of fruit juice
  - Laptop
  - Copy Machine
- Service
  - Continuing Education Training
  - Movers
  - Software Maintenance Agreements



9

LPTA is appropriate when there is little meaningful difference between competitors. Simple supplies, for instance, often best fit with LPTA. Often the minimum specifications are established by industry standards. For instance, if the government wanted to procure 350 6 ounce single-serving cartons of fruit juice, the government would not need to define the criterion which makes the juice acceptable to be sold to the public. It is similar with simple services. If the government wants to move from one location to another, unless there are special considerations it often makes little difference technically who the contractor is.



# LPTA Rating Supply Example

Copy Machine

**Pass or Fail**



Factor 1

Complies with Department Energy Efficiency Directive

Factor 2

Meets specifications defined in the solicitation

Factor 3

Past Performance



10

Creating evaluation criteria for lowest price technically acceptable is specific to the supply at hand. A few are provided here as examples. For instance if the Department has an energy policy it and it is an evaluation criteria the policy specifications would have to be included in the solicitation and the government would evaluate if the quote met all of the specifications. This analysis would determine: did the quote meet all specifications? If so it would pass. If not it would fail.

# LPTA Rating Service Example

Training

**Pass or Fail**



Factor 1

Established curriculum approved by XYZ standards

Factor 2

Includes training manual

Factor 3

Past Performance



11

Creating evaluation criteria for lowest price technically acceptable is specific to the service at hand. A few are provided here as examples. For instance if a government employee requires continuing education training the evaluation criteria may be the training adheres to the continuing education accreditation of that particular profession. The specifications would have to be included in the solicitation and the government would evaluate if the quote met all of the specifications. This analysis would determine: did the quote meet all specifications? If so it would pass. If not it would fail.

When considering the trade off process the project manager should consider the importance of the following:

# Trade Off Considerations

- Past Performance
- Special features for effective program performance
- Trade-in considerations
- Comparison of probable life
- Warranty considerations
- Maintenance availability
- Environmental & energy efficiency considerations
- Delivery requirements
- Quality of the product or service to be procured
- Timeliness
- Technical capability
- Business practices



# Trade Off Examples

- Services
  - IT Support
  - Management Support
  - Auditing Support



13

The trade off process is for more complex needs in which there are several competitive outcomes for the work requirement. If the government has no need to specify how the work is to be accomplished then it is required to define the work using a performance-based outcome. In short, this means the government defines its need and the quoter provides a proposed solution. The government will evaluate the quoter provided solution in comparison to the SOW and evaluation criteria. So it is imperative the government project manager or COR has thought through the project to define the evaluation criteria appropriately.

Evaluation criteria should be minimal and only focus on those distinguishing criteria which market research and project management knowledge have identified as relevant to this purchase request. Let's go through some examples.

# Example: Personnel Qualifications

## IT Support Services Contract

1.) Personnel Qualifications: The quoter shall describe their staffing approach and qualifications for personnel including any specialized expertise.

2.) **Personnel Qualifications Evaluation Criteria:**

The minimum qualifications for personnel are:

- Bachelors in economics or a business related field.
- Two years experience and A, B, C certifications in the following systems: X, Y and Z.

14

Looking at an IT support services requirement as an example, the COR may know from experience the work the government described in the statement of work requires an IT specialist with a degree in Information Management, or related. The COR also knows the skill set can vary among IT specialists and knows that a particular certification is required to work on the government system. The government has determined it is too risky to allow an inexperienced IT specialist operate on its system. While this should first be considered as lowest price technically acceptable based upon specified degree and certification, the COR rules this out because in this instance the COR has identified through market research that contractors can provide a variety of specialists who may have other qualifications which would make them more suitable for this requirement. Furthermore, this government need can be solved with multiple outcomes and the government could benefit from a competitive approach. The COR suggests to the CO personnel qualifications is important to the program office with this need.

Including this evaluation criterion is a two step process. The CO will include the instructions in the solicitation: “The quoter shall describe their staffing approach and qualifications for personnel including any specialized expertise. “ This is what the government *wants* in the quote. Part two, or the evaluation criterion is *how* the government will evaluate the quote.

# Example: Technical Approach

## Management Support Contract

- 1.) **Technical Approach:** The quoter shall describe its technical approach and plan for accomplishing the work described in the statement of work (SOW).
- 2.) **Technical Approach Evaluation Criteria:**
  - Demonstrated technical approach to meeting the project objectives and milestones as stated in the SOW.
  - The completeness of the written approach should allow BIA to understand the methods to be used and how the contracting officer's representative (COR) and the customers are integrated into the plan.

15

Looking at a management support services requirement the project manager may determine that although many contractors can provide these services, market research and historical risk have indicated technical approach is key to a satisfactory performance. In preparing the purchase request package, the COR recommends to the CO that technical approach should be one of its evaluation criteria.

Again, this is a two step process. First the government tells the contractor *what* evaluation criteria we are using, followed by *how* we will evaluate the quoter's response.

# Example: Past Performance

## Auditing Support Contract

- 1.) **Past Performance:** The quoter shall submit at least three past performance references for contracts entered into with Federal, state and local governments, Native American tribes and commercial businesses, which are of similar scope, magnitude, relevance, and complexity to the requirement which is described in the RFQ.
- 2.) **Past Performance Evaluation Criteria:**  
Each reference will be evaluated:
  - To determine the risk of non-performance, defective performance and late performance.

16

As a final example in this presentation of possible evaluation criteria is past performance. The Office of Management and Budget and the Office of Federal Procurement Policy have insisted past performance be included in applicable solicitations. Past performance is used as an indicator to determine if the contractor has performed satisfactorily in the past.

The three examples here are commonly used but not exclusive. One pitfall to avoid is using too many evaluation criteria; the fewer in number the better.

# Technical Rating: Evaluation Criteria

Adjectival Rating	Description
<b>Exceptional</b>	Greatly exceeds all minimum requirements of the criteria; has a high probability of success; contains no weaknesses or deficiencies.
<b>Good</b>	Exceeds all the minimum requirements of the criteria; has an above average probability of success; contains no significant weaknesses and only minor, correctable weaknesses exist.
<b>Acceptable</b>	Meets all the minimum requirements of the criteria; has an average probability of success; no significant weaknesses and any deficiencies can be readily corrected.
<b>Marginal</b>	Fails to meet one or more of the minimum requirements of the criteria; low probability of success; major weaknesses and contains significant number of deficiencies exist.
<b>Unacceptable</b>	Fails to meet any of the minimum requirements of the criteria; proposal needs major revisions; very low probability of success. An unacceptable rating indicates the quote may present some strength, but it also contains significant and important weaknesses that indicate extreme risks of substandard performance.

17

The solicitation will also have defined evaluation criteria. These, or something similar, are the ratings the evaluation team will use in its evaluation to determine if the quote meets the evaluation criteria. For instance management approach may be rated as acceptable. The solicitation will also include a narrative regarding the evaluation process. It will be substantially similar to: “The US Department of the Interior, Bureau of Indian Affairs ratings focus on the ability of the quoter to accomplish the goals outlined in the SOW as well as strengths, weaknesses and risks demonstrated in the quoter’s technical plan. Ratings will be assigned to each technical quote by the reviewer(s) based on the criteria above. In the case of more than one reviewer, the ratings will be assigned by consensus.”



# Past Performance: Evaluation Criteria

Adjectival Rating	Description
<b>Excellent</b>	Current, relevant performance. Performance was accomplished with no problems which required corrective action.
<b>Good</b>	Current, relevant performance. Performance was accomplished with no or some minor problems for which any required corrective actions taken were effective
<b>Acceptable</b>	Performance met contractual requirements. Performance was accomplished with some minor problems for which any required corrective actions taken were satisfactory
<b>Neutral</b>	No relevant past performance record is identifiable upon which to base a meaningful past performance risk prediction. This is neither a positive or negative assessment
<b>Marginal</b>	Performance did not meet all of the contractual requirements. Performance was accomplished with serious problems for which any required corrective actions were marginally effective or not fully implemented
<b>Unacceptable</b>	Performance did not meet most of the contractual requirements. Performance was accomplished with serious problems for which any required corrective actions were ineffective or non-existent

Evaluation criteria ratings are often different for past performance. Here is a common example. Again, it is what is advertised in the request for quote that is true for the current evaluation.

# Evaluation Criteria Pitfalls

- Too many criteria
- Using boilerplate language not tailored to the current requirement
- Is not aligned with market research
- Is not aligned to performance risk (critical to success or failure)



19

Along with a well-written statement of work, the evaluation criteria in the pre-award phase of the procurement can be used to make or break the government project. If the SOW is poorly written and the evaluation criteria are not fair, objective and appropriate a protest which will stop all work can result and the chance for poor contract performance and poor contractor choice greatly increase.

# Summary



## **Evaluation Criteria:**

- Part of the purchase request package
- Consider overall project scope and needs
- Consider lowest price, technically acceptable
- Next consider the elements of trade offs
- What are the meaningful discriminators?
- Choose as few evaluation criteria as possible, usually no more than three

20

In summary, the evaluation criteria should first be evaluated as lowest price, technically acceptable. If this is not possible several trade off considerations need to be considered. Finally, the evaluation criteria should be based upon meaningful discriminators determined by market research, program risk and in consideration with the particulars of the government's current project need.

# QUESTIONS

Please contact your local acquisition professional for any questions.

