SECTION M - EVALUATION FACTORS FOR AWARD

M.1 PROPOSAL EVALUATION:

The Offeror shall provide their best, complete proposal upon initial submission. The Agency reserves the right to hold discussions, if deemed necessary by the Contracting Officer. A Source Selection Evaluation Panel will evaluate all proposals based on the proposals/documentation provided. The evaluations will be based on the evaluation criteria set forth below.

(End of Provision)

M.2 EVALUATION FACTORS FOR AWARD

The evaluations will be based on 3 Factors:

1. Mission Suitability, which is comprised of 3 Subfactors:
   a. Overall Operational and Technical Approach, Business Process Services (Recordkeeping) and Information Security
   b. Overall Operational and Technical Approach, IT Services
   c. Management Approach
2. Past Performance
3. Cost/Price

Relative Importance of the 3 Factors:

Mission Suitability is the most important Factor. Past Performance and Cost Factors are substantially equal and when combined, are less than Mission Suitability.

Mission Suitability is adjectivally and numerically scored. Adjectives are based on the following definition of findings:

Definition of "Findings"

Deficiency	A material failure of a proposal to meet a Government requirement – or – a combination of significant weaknesses in a proposal that increases the risk of unsuccessful performance to an unacceptable level. (Almost fatal to the health of the proposal, one which adversely impacts the score and which must be revealed to the Offeror during discussions)

Significant Weakness	A flaw that appreciably increases the risk of unsuccessful contract performance. (Will have a severe negative impact upon accomplishment of contract requirements, is below the standard expected, and has a negative impact on the score.)
Weakness	A flaw in the proposal that increases the risk of unsuccessful contract performance. (More of a nuisance value, but still has some negative impact on accomplishment of contract requirements.)
Significant Strength	Some aspect of the proposal that greatly enhances the potential for successful contract performance, or contributes significantly toward meeting or exceeding the contract requirement, is above the standard expected.
Strength	An aspect of the proposal that will have some positive impact on the successful performance of the contract but which is more of the nice to have, rather than a substantive impact.

Adjectival Rating Scale

The following scale will be utilized to evaluate all Mission Suitability Subfactors:

Adjectival Rating	Definitions	Percentile Range
Excellent	A comprehensive and thorough proposal of exceptional merit with one or more significant strengths. No deficiency or significant weakness exists.	91-100
Very Good	A proposal having no deficiency and which demonstrates over-all competence. One or more significant strengths have been found, and strengths outbalance any weaknesses that exist.	71-90
Good	A proposal having no deficiency and which shows a reasonably sound response. There may be strengths or weaknesses, or both. As a whole, weaknesses not off-set by strengths do not significantly detract from the Offeror's response.	51-70
Fair	A proposal having no deficiency and which has one or more weaknesses. Weaknesses outbalance any strengths.	31-50
Poor	A proposal that has one or more deficiencies or significant weaknesses that demonstrate a lack of overall competence or would require a major proposal revision to correct.	0-30

1. **Mission Suitability:** The Mission Suitability Factor consists of the following:

Subfactor 1 - Overall Operational and Technical Approach, Business Process Services (Recordkeeping) and Information Security (275 points)

Overall Operational and Technical Approach – Business Process Services (Recordkeeping) and Information Security:

The Agency will evaluate the overall operational and technical approach for both Recordkeeping and Information Security (as described in Section L.18.1(a)(2) and (3)) to determine the Offeror's understanding of the requirements for accuracy, effectiveness, efficiency, realism, relevancy, and comprehensiveness.

The Agency will evaluate the proposed best practices and innovations for reasonableness, realism, and the effectiveness of quantified efficiencies. The Agency will evaluate any assumptions and underlying rationale associated with those assumptions for reasonableness.

The Agency will evaluate the approach to achieving compliance for accuracy and effectiveness.

Scenario 1 – Thrift Savings Plan Pricing Error

The Agency will evaluate the approach to determine the Offeror's understanding of the business and technical requirements and their ability to translate them into innovative, sound and disciplined solutions. The Agency will evaluate the approach and proposed technical solution for accuracy, precision, effectiveness, efficiency, expediency, and risk. The Agency will evaluate the proposed technical resources for reasonableness and realism.

Subfactor 2 – Overall Operational and Technical Approach, IT Services (275 points)

Overall Operational and Technical Approach, IT Services:

The Agency will evaluate the overall operational and technical approach for the IT services described in Section L.18.2(1) to determine the Offeror's understanding of the requirements for accuracy, effectiveness, efficiency, realism, and comprehensiveness.

The Agency will evaluate the proposed best practices and innovations for reasonableness, realism, and the effectiveness of quantified efficiencies. The Agency will evaluate any assumptions and underlying rationale associated with those assumptions for reasonableness.

Scenario 2 – Thrift Savings Plan Batch/Daily Processing

The Agency will evaluate the approach to determine the Offeror's understanding of the business and technical requirements and their ability to translate them into innovative, sound and disciplined solutions. The Agency will evaluate the approach and proposed technical solution for accuracy, precision, effectiveness, efficiency, timeliness and risk. The Agency will evaluate the proposed technical resources for reasonableness and realism.

Representative Task Orders (RTOs)

The Agency will evaluate the adequacy and effectiveness of the Offeror's written response to the two RTOs. The Agency will evaluate the effectiveness of the technical approach, the realism of the staffing, including labor categories and labor hours proposed, the flow of activities from start to completion (including schedule). The Agency will evaluate whether the approach is sufficiently specific, detailed, and complete to demonstrate a clear and full understanding of the work, risks, and risk management. The Agency will evaluate the appropriateness and effectiveness of the Offeror's proposed innovations, techniques, technologies, and quantifiable efficiencies. The Agency will evaluate the reasonableness of any assumptions made in preparing a response to the RTOs.

Subfactor 3 - Management Approach (450 points)

Program Management

The Agency will evaluate for adequacy, effectiveness, realism, and relevancy, the Offeror‘s proposed responsibilities (such as workflow, staffing) and authorities for program management of this contract. This evaluation will consider the Offeror‘s proposed approach to resolving internal conflicts over resources with other company organizations, degree of autonomy of the Program Executive, and lines of communication among Agency, Contractor, and subcontractor.

The Offeror's approach to Phase-In will be evaluated for completeness, relevancy, realism, effectiveness, and efficiency.

The Agency will evaluate for effectiveness, efficiency, timeliness, and realism of the Offeror‘s approach to support multiple, simultaneous efforts that may have competing requirements for technical expertise, timelines and delivery schedules will be supported. This evaluation will include:

- assessing the Offeror‘s approach to developing and maintaining technical capabilities and competencies
- providing support throughout the duration of the contract

- assigning work in a changing, dynamic, and evolving technical environment.

The Agency will also evaluate for effectiveness how the Offeror will implement delivery schedule management, identifying and managing risk, quality assurance, and obtaining user feedback for performance improvement.

The Offeror's approach to identifying industry process models, best practices, and performance standards applicable to life cycle management (including transition to attain service levels specified in the SOW) and governance of information technology systems shall be evaluated for comprehensiveness, effectiveness, expediency, and manageability.

Organizational Structure and Chart

The Agency will evaluate the realism, effectiveness, and efficiency of the Offeror‘s proposed organizational structure, including policies, procedures, and techniques for managing the proposed work. This evaluation will consider the Offeror‘s approach to quality management of the required services through surveillance, organizational structure, staffing and utilization and distribution of the workforce in meeting contract requirements, cost constraints, and schedules.

The Agency will evaluate the appropriateness of the Offeror‘s proposed organization chart and proposed interactions with FRTIB personnel including the clarity and effectiveness of the Governance Structure between the Offeror and the Agency. The Agency will evaluate the reasonableness and appropriateness of the Offeror‘s proposed organization chart identifying where this contract fits within the corporate structure. The Agency will evaluate the assignment of key personnel as well as managerial and critical positions within the organizational chart for reasonableness, appropriateness, and effectiveness.

Key Personnel

The Agency will evaluate the Offeror's Key Personnel Approach and rationale for overall demonstrated understanding, effectiveness, feasibility, efficiency, and consistency with the overall management approach and rationale.

The Agency will evaluate the Key Personnel resume information for relevancy, career progression, breadth of experience, and that individuals adequately meet or exceed the qualifications established in H.10(c).

Staffing Approach

The Agency will evaluate for effectiveness and adequacy the Offeror‘s proposed staffing plan, including corporate reachback, and how it will satisfy the contract requirements. The Agency will assess the Offeror‘s ability to acquire and retain qualified and experienced personnel. The Agency will evaluate for adequacy the Offeror‘s comprehensive hiring plan, which presents the approximate number of personnel to be hired from incumbents, those to be transferred from within the Offeror‘s own organization, and those from other sources. The Agency will assess the Offeror‘s planned incumbent capture rate, the basis of this rate, and the effectiveness of methods and schedule proposed to recruit and hire incumbents and new hires. The Agency will evaluate for effectiveness any consolidations, improvements, and any proposed changes. The Agency will evaluate for effectiveness and adequacy any proposed strategy to overcome shortfalls in the primary staffing strategy and the approach to providing backup in the event of absences or vacancies. The Agency will evaluate for effectiveness and adequacy the Offeror‘s approach to staffing for fluctuating requirements. The Agency will evaluate the combination of the Offeror’s staffing approach and position qualifications to assess the ability of the Offeror to supply a sufficient workforce to meet the requirements of the SOW.

Position Qualifications

The Agency will evaluate the Offeror’s written position qualifications, inclusive of critical positions, for adequacy, relevancy, competency and completeness in meeting the requirements of the SOW, and the Offeror’s understanding of the contract requirements.

Significant Subcontractors

If subcontractors are proposed, the Agency will evaluate the effectiveness and efficiency of the Offeror‘s proposed interfaces to the Offeror’s organizational structure including : 1) the separate organization chart for each subcontractor, 2) the basis for the selection of each subcontractor, 3) the nature and extent of the work to be performed by each subcontractor, 4) the benefits of these arrangements to the Agency, and 5) the methods of management and reporting to FRTIB of subcontractors' financial and technical plans and performance. The Agency will evaluate the plans for completing contemplated subcontracting arrangements for feasibility and timeliness.

The Agency will evaluate the comprehensiveness of the Offeror‘s rationale and proposed procedures for determining applicability of subcontracting, if any, and the effectiveness and efficiency of proposed procedures for managing subcontracts. This evaluation will consider the Offeror's planned usage, if any, of subcontracting agreements and the detail of the functional areas and functional split of responsibilities

including the potential percentages of work to be performed. The Agency will evaluate the effectiveness of the Offeror‘s proposed approach for addressing any problems that arise as a result of the proposed organization structure or poor and/or non-performance of subcontracted portions of the contract.

Total Compensation Plan

The proposed compensation will be considered in terms of its impact upon recruiting and retention, its realism, and its consistency with a total plan for compensation.

Phase-In Plan

The Agency will evaluate the Offeror‘s proposed phase-in plan for comprehensiveness to ensure continuity and a smooth and complete transition from the incumbent Contractor. The Agency will evaluate the capability of the Offeror to assume full contract responsibility on the effective date of the contract for realism, relevancy, and understanding of the work to be performed. The Agency will evaluate the Offeror‘s plan, including how ongoing work will be maintained, the proposed management organization, schedule, and staffing transition, for effectiveness, efficiency, timeliness, and feasibility.

Draft Contract Management Plan

The Agency will evaluate the Offeror‘s approach to manage teams of technically and geographically diversepersonnel and how multiple, simultaneous efforts that may have competing requirements for technical expertise, timelines and achievement of delivery schedules for effectiveness and efficiency. The Agency will also evaluate Offeror’s approach to managing subcontracts, risk, and quality assurance for effectiveness and thoroughness. The Agency will evaluate the efficacy and benefits of the methods for obtaining and implementing changes due to user feedback to achieve improved performance. Additionally, the information provided will be evaluated for realism, thoroughness, efficiency, and effectiveness

The Agency will evaluate the information provided (including risk management, quality management, and continuity of operations) as related to the Offeror’s ability to contend with the pace of change to the service environment and technology while maintaining its organizational structure and staffing, including subcontractors. This information will be evaluated for efficiency, effectiveness, and realism.

The Agency will evaluate the proposed approach for effectiveness and efficiency for the use of proposed industry process models, best practices, and performance standards for lifecycle management and governance of Information Technology systems.

Draft Information Security Plan

The Agency will evaluate the Offeror's draft information security plan for effectiveness, integration throughout the program, completeness, compliance with FISMA, and the Offeror's understanding of the requirements.

Joint Venture Team Agreement

The Agency will evaluate the Offeror's Joint Venture Teaming Agreement for validity, adequacy, completeness, and effectiveness of organizational control.

Errors and Omissions Insurance Policy

Errors and Omission Insurance policies, including all endorsements, riders, or other expressions of or modifications of coverage, shall be evaluated for validity, adequacy, and appropriateness.

Draft Organizational Conflict of Interest Plan

The Agency will evaluate the Offeror's Organization Conflict of Interest Plan for thoroughness, enforceability, and clarity of organization barriers that will reduce the likelihood of occurrences of conflicts of interest.

Draft Operating Level Agreements Approach

The Agency will evaluate the Offeror's approach to negotiating and establishing Operating Level Agreements for achieving seamless, efficient, and transparent service delivery with third-party FRTIB contractors.

2. **Past Performance:** This factor will be evaluated on the basis of relevant past performance for contracts performed (completed or ongoing) during the last three 3 years, (January 1, 2010 – Dec 31, 2012).

Prime Offeror

a. Prime: Past Performance Volume:
    i. Contracts shall be relevant to the work requirements and scope of the SOW, which will include Sections 3.0-10.0 of the Statement of Work.
b. Prime: Past Performance Questionnaire:
    i. Offerors shall submit 3 – 5 references to demonstrate relevant input for the evaluation of this factor, using the Questionnaire in Attachment L.5. The proposal shall provide the issuing Agency/Vendor, contract number, contract title, contact name,

current phone number and identify the contact's role in the subject contract.

ii. These references must be consistent with the contracts provided in response to Section L.13.5.

Subcontractor(s)

a. Significant Subcontractor: Past Performance Volume:

i. Contracts shall be relevant to the work requirements and scope of the SOW, which will include Sections 3.0-10.0 of the Statement of Work.

b. Significant Subcontractor: Past Performance Questionnaire:

i. Offerors shall submit 3 – 5 references to demonstrate relevant input for the evaluation of this factor, using the Questionnaire in Attachment L.5. The proposal shall provide the issuing Agency/Vendor, contract number, contract title, contact name, current phone number and identify the contact's role in the subject contract.

ii. These references must be consistent with the contracts provided in response to Section L.13.5.

The Agency may gather additional information from any other sources available to the Agency (e.g., Government-controlled Contractor performance databases and references including contractual, technical, and end-user representatives) for additional evaluation of this factor.

A Past Performance Questionnaire shall be used to collect reference information. The Questionnaire describes the type of information that will be collected from references.

The Agency will evaluate past performance in accordance with the following table:

Past Performance Evaluation

Adjective	Description
VERY HIGH LEVEL OF CONFIDENCE	The Offeror's relevant past performance is of exceptional merit and is very highly pertinent to this acquisition; indicating exemplary performance in a timely, efficient, and economical manner; very minor (if any) problems with no adverse effect on overall performance. Based on the Offeror's performance record, there is a very high level of confidence that the Offeror will successfully perform the required effort. ** (One or more significant strengths exist. No significant weaknesses exist.)
HIGH LEVEL OF CONFIDENCE	The Offeror's relevant past performance is highly pertinent to this acquisition; demonstrating very effective performance that would be fully responsive to contract requirements with contract requirements accomplished in a timely, efficient, and economical manner for the most part with only minor problems with little identifiable effect on overall performance. Based on the Offeror's performance record, there is a high level of confidence that the Offeror will successfully perform the required effort. **(One or more significant strengths exist. Strengths outbalance any weakness.)
MODERATE LEVEL OF CONFIDENCE	The Offeror's relevant past performance is pertinent to this acquisition, and it demonstrates effective performance; fully responsive to contract requirements; reportable problems, but with little identifiable effect on overall performance. Based on the Offeror's performance record, there is a moderate level of confidence that the Offeror will successfully perform the required effort.** (There may be strengths or weaknesses, or both.)
LOW LEVEL OF CONFIDENCE	The Offeror's relevant past performance is at least somewhat pertinent to this acquisition, and it meets or slightly exceeds minimum acceptable standards; adequate results; reportable problems with identifiable, but not substantial, effects on overall performance. Based on the Offeror's performance record, there is a low level of confidence that the Offeror will successfully perform the required effort. Changes to the Offeror's existing processes may be necessary in order to achieve contract requirements.** (One or more weaknesses exist. Weaknesses outbalance strengths.)
VERY LOW LEVEL OF CONFIDENCE	The Offeror's relevant past performance does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; problems in one or more areas which, adversely affect overall performance. Based on the Offeror's performance record, there is a very low level of confidence that the Offeror will successfully perform the required effort. **(One or more deficiencies or significant weaknesses exist.)

Adjective	Description
NEUTRAL	In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror may not be evaluated favorably or unfavorably on past performance [see FAR 15.305(a) (2) (ii) and (iv)].

3. Cost/Price:

Cost Evaluation Factor:

Cost/Price will be evaluated, but not numerically scored. The cost/price proposal will be evaluated by adding the total proposed figures for all years of the proposal excluding the Phase-In under Cost Exhibit L- A1. The total effort is comprised of six years (6).

Offeror's proposed costs/prices will be evaluated for completeness, reasonableness, realism and consistency/traceability and most probable cost.

In the event that an Offeror fails to provide an adequate cost build-up explanation to support the proposed pricing, the Agency reserves the right to reject an Offeror's proposal.

Risk

Inherent to the evaluation will be an assessment of risk – that is, the evaluator's determination of the degree to which an Offeror would be successful i.e., the ability, capability, and probability that if awarded the contract, the Offeror can and will meet the requirements of the SOW, consistent with their technical proposal, with a quality workforce, on schedule, and within cost. **Risk is an implicit part of cost proposal evaluation** and an adjectival rating reflecting the likelihood of occurrence and the consequence or severity of the impact on contract performance will be determined:

- **High:** Great potential exists for serious work performance problems including, but not limited to, work schedule disruptions or degradation of performance and increases in contract cost, even with special contract management emphasis and close monitoring.
- **Medium:** Some potential exists for work performance problems including, but not limited to, work schedule disruptions or degradation of performance and a commensurate increase in contract costs incurred by the Agency. However, with close monitoring by the Agency, the Contractor will probably be able to overcome the difficulties.
- **Low:** Minimal or no potential exists for work performance problems, including, but not limited to, work schedule disruptions, quality problems, and a limited or no increase in contract costs incurred by the Agency. Any difficulties that may exist will be overcome with normal contract monitoring.

Offeror's Proposed Price for the Phase-In period (Cost Exhibit L-A1) will be evaluated for completeness, reasonableness, realism and consistency/traceability. In the event that an Offeror fails to provide an adequate cost build-up explanation to support the proposed pricing, the Agency reserves the right to reject an Offeror's proposal. The Phase-In Cost will not be included as part of the Offeror's total proposed price for cost/price evaluation purposes.

Fully loaded Direct labor rates for the IDIQ efforts will be evaluated for completeness reasonableness, realism and consistency/traceability.

Finally, costs/prices which change over time should reflect appropriate assumptions about inflation factors, time value of money, or other commonly-accepted discounting and inflation factors**.** Offerors whose proposals exhibit these factors must explain fully the reason and the basis for proposing such prices. In the event that an Offeror fails to provide an adequate cost build-up explanation to support an apparent imbalance, the Agency reserves the right to reject the proposal.

The Agency will use cost/price analysis to determine reasonableness, completeness, realism, and consistency/traceability, as discussed below. The analysis will also determine the Offeror's understanding of the work and the Offeror's ability to perform the requirements of the contract. The proposed cost, the fixed fee percentage and the proposed Firm Fixed Price will be evaluated for:

Completeness -- Responsiveness in addressing all RFP requirements--review of the proposal to ensure data provided is sufficient to allow a complete analysis and evaluation of the prices/costs and includes all information required by Section L.

As necessary, clarification of apparent and/or minor omissions will be requested from the Offeror through the Agency Contracting Officer. Proposals with substantial omissions and/or a significant number of incomplete portions may be considered to have a gross deficiency and the proposal may be eliminated from further consideration. The Agency also reserves the right to reject proposals which are considered unrealistic if the respective Offeror does not provide adequate substantiation in the cost build up to explain the apparent unrealistic pricing. The Agency may at its discretion continue to consider apparently unbalanced or unrealistic proposals.

Reasonableness -- Acceptability of the price or cost estimating methodology--review of the rationale and supporting data for proposed costs. Unreasonable costs or inconsistencies between the Technical/Management and Cost proposals may be evaluated as demonstrating the Offeror's lack of understanding of the technical requirements. In its evaluation, the Agency may use commercial published data, same or similar Department of Defense (DOD) contracts, Agency estimates, industry standards, Defense Contract Audit Agency (DCAA) audit information, or other information as deemed appropriate by the Agency. In addition, the Agency may make

adjustments (both upward and downward) to the total evaluated cost that the Agency deems appropriate. Adjustments may include costs required to accomplish the Offeror's proposed approach (e.g., Government-Furnished Equipment/Government-Furnished Information required by the Offeror to implement its approach) with the exception of those costs to the Agency that are common for all Offerors.

Realism –Compatibility of the Offeror's cost/price with Agency's scope of work and the Offeror's technical approach. It is an assessment of the level of confidence and reliability placed in the Offeror's proposed cost elements and whether they produce a realistic proposed cost/price based upon Agency requirements and the Offeror's proposed technical approach. The evaluation will determine any inherent cost uncertainties within each Offeror's proposal and identify variables and/or discrepancies within an Offeror's proposal. As part of the cost realism evaluation, the Agency may make adjustments (both upward and downward) as a probable cost to the total evaluated cost that the Agency deems appropriate. Adjustments may include costs required to accomplish the Offeror's proposed approach (e.g., Government-Furnished Equipment/Government-Furnished information required by the Offeror to implement its approach) with the exception of those costs to the Agency that are common for all Offerors.

Consistency/Traceability -- How well the Offeror's proposed prices and costs match the labor categories and support levels proposed, address the method of accomplishing the work described in the technical capabilities proposal, and provide the Offeror's past experience for similar work.

To assist in determining the reasonableness and realism of cost or price, evaluation of the Offeror's proposal may include verification of the rates proposed by the prime and all subcontractors. This may require a determination concerning the appropriateness of direct and indirect rates based on allowable accounting and estimating policies. As previously indicated, other agencies such as the Defense Contract Audit Agency may be called upon to assist the Agency in making this determination.

Most Probable Cost -- The most probable cost is the Agency's best estimate based on cost resulting from the Offeror's proposal after all known adjustments have been considered. These adjustments include recommended additions or reductions in materials, equipment, labor hours, direct rates and indirect rates. Any adjustments in direct and indirect costs, other than minor computation errors, must be fully explained and documented and, where applicable, traceable to the technical evaluations. Adjustments are made based on the Offeror's proposed costs considering the Offeror's business methods, operating procedures, and practices as they affect cost. The most probable cost reflects the Agency's best estimate based on the Offeror's proposed costs after all known adjustments have been considered.

Both the proposed and most probable cost will reflect the Offeror's proposed fee amount. Proposed fee is not adjusted in the probable cost assessment.

The total Phase-In price and the proposed and probable costs for all CLINs will be presented to the Source Selection Authority.

(End of Provision)

(End of Section M)