

# Source Selection: Communicating with Offerors

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**A**ll too many people are unfamiliar with source selections. This article provides a brief introduction to the topic for non-contracting officers. As with any advice, it is strictly that—advice, not a hard-and-fast set of procedures.

## Basic Source Selection Types

The purpose of source selection is to evaluate the proposals sent by offerors in response to a Request for Proposal. The goal is to obtain an understanding of each offeror's capability to accomplish the work required by the government and thus to award a contract to the offeror providing the best value to the government.

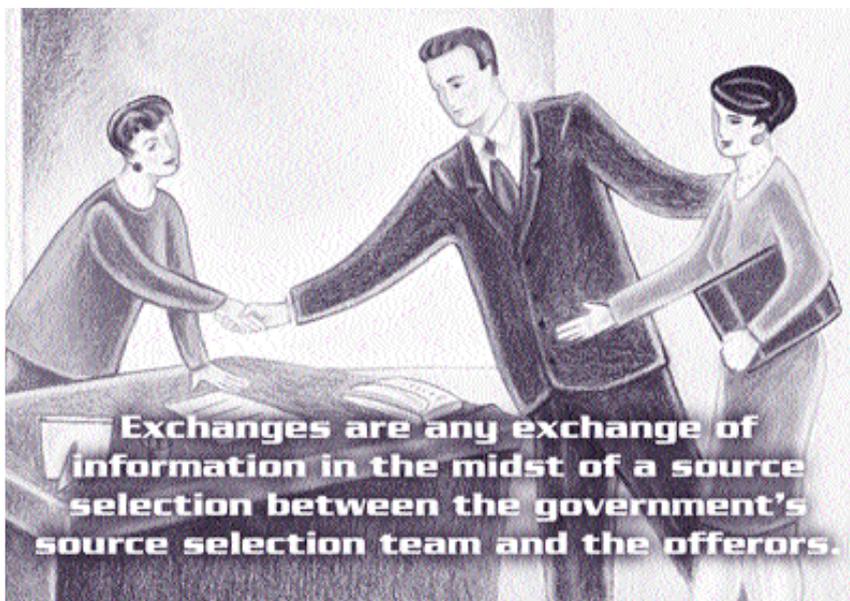
That best value may be determined by different factors, depending upon the acquisition strategy adopted by the government. Typically, source selections fall into three different types:

- Lowest Price Technically Acceptable (LPTA)
- Price-Performance Tradeoff (PPT)
- Full-Trade-off Best Value.

In general, irrespective of source selection type, there are four different factors that are of interest to us: mission capability, proposal risk, past performance, and cost/price.

Mission capability addresses the question, "How does the offeror propose to do the work required by the government?" Mission capability will generally be divided into a number of subfactors, which include technical aspects, program management aspects, and sometimes business aspects of the acquisition (such as subcontracting).

Proposal risk answers the question, "What is the likelihood of the offeror actually being able to perform the work proposed in response to mission capability?" In more official terms, proposal risk focuses on weaknesses



or flaws in the proposal that increase the risk of unsuccessful performance.

Past performance answers the question, "Historically, how has the offeror lived up to past commitments?" In other words, did the offeror do what they said they would do and how well did they do it?

Cost/price addresses, "How much will the government pay for the work proposed?"

## Lowest Price Technically Acceptable Source Selection

In an LPTA source selection, the government determines mission capability as either acceptable or not. As a general rule, neither proposal risk nor past performance are evaluated. We award the contract(s) to the offeror with the lowest price from the list of offerors who received acceptable ratings on mission capability. Note that even though the literal name of this type of acquisition includes the words "technically acceptable," the technical factor referred to in the title may also cover program management and business aspects of the acquisition.

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Often, provided there is at least one (and preferably more than one) technically acceptable offeror, we do not enter into discussions with the offerors except to perhaps allow them the opportunity to improve on their proposed cost/price. LPTA source selections are generally used when the government feels that the work required is fairly straightforward and there are a number of different potential offerors who can accomplish this work.

### Price-Performance Tradeoff Source Selection

PPTs are similar to LPTAs, except that there is often a history that the expected offerors may have issues with past performance, or that the work to be accomplished may not be quite so straightforward. Again, mission capability is either acceptable or not, and proposal risk (if evaluated) is also judged as either acceptable or not. The difference between LPTAs and PPTs is that the government may choose not to accept the lowest cost/price and instead may trade off a higher cost/price for historical proof that the offeror has met or exceeded past commitments for similar types of work.

### Full-tradeoff Best Value Source Selection

Full-tradeoff Best Value source selections, also known as Full-spectrum best value source selections, differ greatly from either LPTAs or PPTs. Here all four factors are evaluated using color ratings (see “Best Value Source Selection: The Air Force Approach,” Parts I & II, *Defense AT&L*, September-October 2004 and November-December 2004). Acceptable/non-acceptable ratings are not used. Typically, the work here is much more complex, and great differences are expected between the work proposed by the different offerors. The point is that the government is willing to pay more for any or a combination of the following: proven past performance, technically or programmatically superior proposals, or lower risk proposals.

### Exchanges

Exchanges are any exchange of information in the midst of a source selection between the government’s source selection team and the offerors. It is a common semantic mistake to call all exchanges of information “discussions,” but more precisely, there are three types of exchanges:

- Clarifications
- Communications
- Discussions.

The government generally states that it reserves the right to award contracts without the third form of exchange—discussions. Although this doesn’t always occur, it is important for offerors to submit their absolute best proposal when responding to a Request for Proposal. If the government can conduct only a few clarifications with the offerors and then make an award without dis-

cussions, it truly is more advantageous to both the offerors (they do not continue to spend money) and the government.

The first round of exchanges generally consists of clarifications and sometimes communications. Clarifications, most typically, simply address issues that the evaluators feel are the result of typographical errors. Communications are used to help establish the competitive range. In addition, they may be conducted to enhance the government’s understanding of proposals or allow reasonable interpretation of proposals. In either case, the information provided by the offerors in response can only more fully explain the proposal but cannot substantively change the proposal.

**Dragging source selections out isn’t in anyone’s best interest; however, the government wants to receive good quality services, supplies, and equipment, and it wants to provide all potential offerors a fair opportunity to win the contract.**

The second round of exchanges may include clarifications and communications somehow left out of the first round, but this round is referred to as actually entering into discussions with the offerors still remaining in the competitive range or arena. Discussions address those areas of an offeror’s proposal that are deficient (in other words, not acceptable). The big difference between discussions, clarifications, communications, is that an offeror’s response to discussions may materially revise the proposal.

At the end of discussions, it is common to allow all remaining offerors to submit one Final Proposal Revision (FPR). This ensures all of the responses to evaluation notices during discussions are captured in the proposal received by the government. Once the FPR is received, the government evaluators conduct one final evaluation and then a decision for award can be made.

What about situations where all the issues (other than cost/price) do not get addressed in the first or second round of exchanges? How many times should we go back and allow the offerors the opportunity to address proposal shortcomings?

## Clarifications, Communications, and Discussions: The Differences

### Clarification

**The problem:** On page 15, the offeror states the need for 20 engineers, yet on page 18, there is a reference to 22 engineers. One of these must be a typo.

**A sample question:** “On page 15 of your proposal, you discuss the need for 20 engineers, and on page 18, you reference 22 engineers. Is one of these numbers an error? If so, which number of engineers is correct?”

### Communication

**The problem:** On page 30 of the proposal, the offeror discusses a procedure for resolving problems that might arise but doesn't address who is responsible for what. Without that information, you can't determine if the procedure would work or not.

**A sample question:** “Page 30 of your proposal discusses a problem resolution procedure, but procedural responsibility is not assigned. Who is responsible for the different steps outlined in your procedure?” (The key is that the answer can only make the procedure unambiguous, not change the procedure.)

### Discussion

**The problem:** The offeror is proposing a widget that weighs 50 pounds. The RFP specifies a widget that weighs no more than 45 pounds.

**A sample question:** “On pages 25, 27, and A-34 of your proposal, you specify delivery of a widget that weighs 50 pounds. Page 7 of the RFP specifies a maximum widget weight of 45 pounds. Currently, your proposal is deficient. Please address this issue.”

to receive good quality services, supplies, and equipment, and it wants to provide all potential offerors a fair opportunity to win the contract; exchanges are often necessary to bring about a win-win.

As an aside, I cannot stress enough the importance of choosing the correct type of source selection for a particular program. Don't make the mistake of choosing a full tradeoff best value source selection when a PPT or LPTA would accomplish what is necessary and be much more efficient. Full-up source selections can be very costly in terms of time and manpower. Efficient program management is in the best interests of government and offeror.

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The answer is that it depends. If the problem was that the government didn't communicate its concerns in a clear enough fashion to enable an offeror to respond properly, then the government should restate the concern in another round. If, however, it is judged that the questions were clearly asked and the offeror simply doesn't understand or didn't develop good answers, then the government should simply accept the responses for what they are and not institute another round of exchanges.

Philosophically, the whole goal of the source selection is to find the issues that differentiate one offeror from another. The ability to understand or not understand the point of discussion or understand the problems can be the differentiator, in and of itself. It is a very important point that in a full-trade-off best value source selection we are not attempting to “equalize” the proposals and simply get it down to a matter of who has the lowest cost/price.

As a rule, the government shouldn't institute another round; however, there are situations where there is a very clear and pressing reason for the government to do so. It is important to note that just getting to the lowest cost/price is not a pressing reason. If that were the case, there would be no need to conduct a best value source selection in the first place.

Enabling multiple sources of supply for critical items is a policy type of pressing reason. If the cost/price of the offerors with acceptable proposals is way over the program's budget, there is no possibility of rescoping the effort to make the program affordable, and the need for the system or service is urgent, then that could be considered a pressing reason to continue with discussions. The idea is not to get offerors to lower their cost/price, but rather see if a proposal that is deficient can be “cured” of its problems. The point is not to have leading questions to suggest the “right answers” to the offerors. The government might or might not be successful in obtaining an acceptable and affordable offer, but it could be worth a shot.

If all the acceptable proposals are too expensive, and the need for the program is not absolutely urgent, then perhaps the best thing to do would be to admit that the source selection needs to be restarted or that perhaps the timing is not right for the program and more scientific and technical work is needed before we can run source selection.

### Not a Definitive Guide

The above is only a guide to what exchanges are about. In any given source selection your acquisition facilitator or business advisor will help your team determine the right type and number of exchanges. Remember that time is money, and dragging source selections out isn't in anyone's best interest; however, the government wants