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SECTION M EVALUATION FACTORS FOR AWARD

M.1 AWARD BASED ON BEST VALUE TO THE GOVERNMENT

The Government will award to the Offeror whose proposal offers the best value in terms of Operational Effectiveness, Total Ownership Cost, Management Capability, and Technical Feasibility as prescribed in section M.4 of this solicitation. Within the best value continuum, the Government will employ a tradeoff analysis of cost or price and non-cost factors (FAR 15.101-1) in evaluating the proposals submitted.

Proposals will be assessed for how well the Offeror's proposal meets the solicitation requirements and the risks associated with the Offerors approach. Determining how well the Offeror's proposal meets the solicitation requirements will be accomplished in two steps. First, a determination will be made if the Offeror's proposal meets the solicitation requirements. Next, discriminators will be identified for the proposals reflecting the unique strengths, weaknesses, significant weaknesses, and deficiencies of each offer. In addition, the Government will examine the impact of each discriminator and assess its relative value to the Coast Guard.

In order to make a sound selection decision; the Government needs to understand the ways in which a given proposal is considered technically strong, as well as the ways in which it is weak or deficient. Hence, a catalog of the strengths, weaknesses, significant weaknesses, and deficiencies (in terms of the evaluation factors) facilitates the process of determining which proposal, overall, presents the best value to the Government.

Additionally, the proposal must be affordable and the IDS implementation must be timely. An offer that exceeds the notional AC&I funding by a significant amount in any single year or a significant cumulative amount over several years, may be considered not affordable. However, an offer below the notional AC&I funding by a significant amount in any single year or a significant cumulative amount over several years at the expense of timely implementation or optimized operational effectiveness may not be considered the best value to the Government.

M.2 DISCUSSIONS/FINAL PROPOSAL REVISION

The Government intends to evaluate proposals and conduct discussions with Offerors. Nonetheless, Offeror's initial proposal should contain the Offeror's best terms from a cost/price and technical standpoint.

M.3 BASIS FOR CONTRACT AWARD

The following conditions shall be met in order to be eligible for award:

- (a) The proposal must comply in all respects with the RFP (NOTE: A proposal that omits material elements required by Section L of the RFP may be dropped from further consideration);
- (b) The Offeror must be determined responsible; and

- (c) An Offeror who proposes an operating lease for any aspect of its proposal must meet the operating lease characteristics and criteria as set forth in OMB Circular A-11 and must support its proposal with a lease purchase analysis in accordance with OMB Circular A-94.

M.4 EVALUATION FACTORS

M.4.1 GENERAL

The evaluation will be based on a complete assessment of the Offeror's proposal. Proposals shall be evaluated on the following four factors listed in descending order of importance where factor (a) is more important than factor (b); factor (b) is more important than factor (c); and factor (c) is more important than factor (d). In addition, all evaluation factors other than factor (b), when combined, are significantly more important than factor (b).

- (a) Operational Effectiveness;
- (b) Total Ownership Cost;
- (c) Management Capability; and
- (d) Technical Feasibility.

M.4.2 OPERATIONAL EFFECTIVENESS FACTOR

Operational Effectiveness Factor is subdivided into five subfactors not of equal importance. The Fully Implemented Subfactor (the corresponding year when the Offeror's proposed IDS, as determined by the Offeror's Implementation Plan, is fully implemented) is more important than the other four subfactors combined. In addition, calendar years 2004, 2007, 2011 and 2016 subfactors are of equal importance. Each subfactor is subdivided into six criteria of equal importance. The evaluation of this factor will include a Center for Naval Analyses IDS Asset Assessment Tool (CIAAT) analysis and C4ISR assessment for each of these criteria. The Government will evaluate (rate and risk assess) each subfactor/criteria combination of the Operational Effectiveness Factor for compliance with all of the requirements listed in Attachment J-36, Operational Effectiveness Factor Requirements and Standards. An Offeror evaluated as not compliant with one or more of these requirements may be found unacceptable for award.

M.4.2.1 FULLY IMPLEMENTED SUBFACTOR

- (a) Total Patrol Criteria
- (b) Total Search Criteria
- (c) Total Identification Criteria
- (d) Total Prosecute Criteria
- (e) Air Score Criteria
- (f) Surface Score Criteria

M.4.2.2 CALENDAR YEAR 2004 SUBFACTOR

- (a) Total Patrol Criteria
- (b) Total Search Criteria Criteria
- (c) Total Identification Criteria
- (d) Total Prosecute Criteria
- (e) Air Score Criteria
- (f) Surface Score Criteria

M.4.2.3 CALENDAR YEAR 2007 SUBFACTOR

- (a) Total Patrol Criteria
- (b) Total Search Criteria Criteria
- (c) Total Identification Criteria
- (d) Total Prosecute Criteria
- (e) Air Score Criteria
- (f) Surface Score Criteria

M.4.2.4 CALENDAR YEAR 2011 SUBFACTOR

- (a) Total Patrol Criteria
- (b) Total Search Criteria Criteria
- (c) Total Identification Criteria
- (d) Total Prosecute Criteria
- (e) Air Score Criteria
- (f) Surface Score Criteria

M.4.2.5 CALENDAR YEAR 2016 SUBFACTOR

- (a) Total Patrol Criteria
- (b) Total Search Criteria Criteria
- (c) Total Identification Criteria
- (d) Total Prosecute Criteria
- (e) Air Score Criteria
- (f) Surface Score Criteria

M.4.3 TOTAL OWNERSHIP COST (TOC) FACTOR

M.4.3.1 TOTAL OWNERSHIP COST

TOC will be evaluated in constant FY98 dollars, discounted by the Government to FY98. The discount rate applied will be in accordance with the Real Interest Rates on Treasury Notes and Bonds published in the version of Appendix C of OMB Circular No. A-94 in effect on the date this RFP is issued. For proposal evaluation purposes, TOC is defined as comprising the following:

(a) IDS LCCE amounts:

- (1) The total of the contract line item number (CLIN) amounts in FY98 dollars. This will be the sum of all firm-fixed price CLIN prices, fixed-price-incentive CLIN *ceiling* prices, cost-plus-incentive-fee CLIN target costs plus target fees, and time-and-materials ceiling prices and will include the base period plus all award term periods.
- (2) Other IDS Life Cycle Costs (e.g. operations, maintenance, training) chargeable to appropriations associated with Deepwater assets, either Operational Expense or Acquisition, Construction, and Improvements.

(b) Increases and Decreases Outside of the IDS LCCE. These are areas of cost that are not included in Table D-159 (in accordance with the MSMP, Appendix D, Section D.10.3 (using Table D-159 in place of Table D-145)) and are outside the scope of the IDS LCCE but which are likely to be affected by the proposed Deepwater system. The areas that will be considered are:

- (1) Modifications to non-Deepwater assets required to achieve the same level of interoperability currently available between Deepwater and non-Deepwater assets.
- (2) Changes in non-deepwater specific training requirements.
- (3) AC&I rebuild requirements associated with sustaining the current Deepwater facility plant.
- (4) Ammunition costs associated with current Navy-Type Navy-Owned equipment and their functional equivalents.
- (5) Decreases to legacy operating expenses which result in a negative cost estimate as described in sections L.7.8.2(a)(2) and L.7.8.2(a)(3).

M.4.3.2 EVALUATION

The proposal will first be reviewed to determine whether it follows the requirements of Section L and includes all of the data and other required information. Omission of significant data or information may be considered grounds for dropping the proposal from further consideration.

The proposed costs will then be evaluated for cost realism, price reasonableness, and affordability.

- (a) If the Government determines that any aspect of the total ownership cost is unrealistic, it may impute an increase or a decrease to that area for evaluation purposes only. This does not apply to firm-fixed price, fixed-price-incentive, or time-and-materials line items in the contract. Significant instances of unrealistic costs in these line items will be assessed as increasing performance risk to the Government.
- (b) Price reasonableness does not apply to other IDS life cycle costs or to increases and decreases outside of the IDS LCCE.
- (c) Both the adjusted and proposed IDS LCCE will be compared with the notional AC&I funding stream and annual legacy Deepwater Asset operating expense to assess the affordability of the proposed solution. The increases and decreases outside of the IDS LCCE will not be included in this comparison, nor will the LCCE amounts be discounted.

M.4.4 MANAGEMENT CAPABILITY FACTOR

Each proposal will be evaluated to assess the Offeror's ability to manage the program, perform the systems integration and system architect role, and design and produce the proposed assets and proposed support in accordance with the Government's requirements. The Management Capability factor is divided into three subfactors of equal importance. All criteria within the Management, Organization, and Controls and the Systems Integration subfactors are of equal importance. Within the Phase II Work Planning subfactor, the Statements of Work and IDS Performance Measurement Plan criteria are of equal importance, and each of these criteria are significantly more important than the Small Disadvantaged Business Participation criteria. The Government will evaluate (rate and risk assess) each subfactor/criteria combination of the Management Capability Factor for compliance with all of the requirements listed in Attachment J-37, Management Capability Factor Requirements and Standards. An Offeror evaluated as not compliant with one or more of these requirements may be found unacceptable for award.

M.4.4.1 MANAGEMENT, ORGANIZATION, AND CONTROLS SUBFACTOR

- (a) Program Management Criteria
- (b) Quality Assurance Criteria
- (c) Data Management Criteria
- (d) Environmental Management Criteria
- (e) Asset Production and Support Capability Criteria

M.4.4.2 SYSTEMS INTEGRATION SUBFACTOR

- (a) Systems Engineering Criteria

- (b) C4ISR Architecture Plan Criteria
- (c) IDS Integrated Logistics Planning Criteria
- (d) Test & Evaluation Program Criteria
- (g) IDS Performance/Cost Analysis Criteria

M.4.4.3 PHASE II WORK PLANNING SUBFACTOR

- (a) Statements of Work Criteria
- (b) IDS Performance Measurement Plan Criteria
- (c) Small Disadvantaged Business (SDB) Participation Criteria

M.4.5 TECHNICAL FEASIBILITY FACTOR

Technical Factor is subdivided into three SPS compliance subfactors listed in descending order of importance where subfactor 1 is more important than subfactor 2 and subfactor 2 is more important than subfactor 3. All criteria within each subfactor are of equal importance. The Government will evaluate (rate and risk assess) each subfactor/criteria combination of the Technical Feasibility Factor for compliance with all of the requirements listed in Attachment J-38, Technical Feasibility Factor Requirements and Standards. An Offeror evaluated as not compliant with one or more of these requirements may be found unacceptable for award.

M.4.5.1 SPS COMPLIANCE SUBFACTOR 1

The capability of the Contractor's fully implemented IDS to meet requirements of those major groupings of the SPS (as delineated in Tables B.2.1 through B.2.3 of the MSMP) assigned a high relative weighting factor.

- (a) Functional Capabilities Criteria
- (b) Information Exchange Capabilities Criteria
- (c) Information Support Capabilities Criteria
- (d) Prosecution Criteria
- (e) National Security Cutter Criteria

M.4.5.2 SPS COMPLIANCE SUBFACTOR 2

The capability of the Contractor's fully implemented IDS to meet requirements of those major groupings of the SPS (as delineated in Tables B.2.1 through B.2.3 of the MSMP) assigned a medium high relative weighting factor.

- (a) Information Collection & Recording Capabilities Criteria

(b) Interface Requirements Criteria

M.4.5.3 SPS COMPLIANCE SUBFACTOR 3

The capability of the Contractor's fully implemented IDS to meet requirements of those major groupings of the SPS (as delineated in Tables B.2.1 through B.2.3 of the MSMP) assigned a medium relative weighting factor.

(a) Decision Support Capabilities Criteria

(b) Support Operations Criteria

(c) Support Requirements Criteria

(d) Operational Environment Criteria