Understanding FAR Part 15 Evaluation Procedures

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What is Best Value?

Best value is the expected outcome of any acquisition that ensures the customer’s needs are met in the most effective, economical, and timely manner and at a fair and reasonable price.
FAR Part 15.101
The Best Value Continuum

FAR 15.101 Best Value Continuum

- The **Best Value Continuum** describes how the importance of the cost or price evaluation factor may vary in relation to factors other than cost or price in a competitive environment.
- Per statute, every source selection must include evaluation factors that address: (i) cost or price; and (ii) quality of product or service (FAR 15.304(c)(1)&(2)). The [Department of Defense Source Selection Procedures](http://www.dau.mil) describes evaluation of cost or price in section 2.3.4.1, and evaluation of quality of product or service in section 2.3.4.2.

*Reference: DAU; Best Value Continuum (www.dau.mil)*
FAR 15.101-1
Trade Off Process (BV-TO)

- Permits trade-offs between cost or price and non-cost factors (allows the Government to award to other than the lowest priced offeror and/or other than the highest technically rated offeror)
- Used when cost is not the most important factor
- Source Selection Evaluation Board is appointed to evaluate technical proposals without regard to price in accordance with solicited criteria and come to consensus on strengths/weaknesses/deficiencies of technical proposal
- Best Value is determined by the Source Selection Authority (SSA) after review of the technical proposals and submitted cost/price
FAR 15.101-2
LPTA (BV-LPTA)

- Price will be the most heavily weighted solicited factor. All solicited factors other than cost or price (i.e. addressing quality of product or service) are evaluated on an “acceptable vs. unacceptable” basis.
- No evaluation credit is given or may be considered for exceeding the acceptability standards of the solicitation.
- For all offers which are rated “acceptable” for all factors other than cost or price, the Government then selects the offer with the lowest evaluated price.
- Tradeoffs are not permitted under LPTA.
How Cost Varies Along the Best Value Continuum

With the two ends of the Best Value continuum established, the distance between them reflects the variation of the cost or price weighting in relation to all other factors.

Question - How does the Government convey to potential offerors where along the Best Value continuum cost or price is weighted? The answer is through stating the importance of evaluation factors. Per statute, the solicitation shall state:

- all evaluation factors and significant factors and their relative importance (FAR 15.304(c)(4)); and
- all factors other than cost or price, when combined, are “significantly more important than cost or price”, “approximately equal to cost or price”, or “significantly less than cost or price” (FAR 15.304(c)(5)).
Why LPTA versus Trade Off?

External Inputs
- User Requirements
- Funding

Acquisition Team
- User
- Contracting
- Industry

Acquisition Strategy
- Contract Type/Length
- Source Selection Process
- Milestones
- Budget Considerations

Risk Assessment

Market Research

Requirement
Questions?