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# DoD Source Selection: Competencies, Deficiencies, and Remedies

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## THURSDAY SESSIONS VOLUME II

### **DoD Source Selection: Competencies, Deficiencies, and Remedies**

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WSC Consulting

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## Additional Papers

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Additional Papers	
	<p><b><i>DoD Source Selection: Competencies, Deficiencies, and Remedies</i></b> William Sims Curry, WSC Consulting</p> <p><b><i>Enabling National Security Through Dual-Use Technology</i></b> Lou Kratz, Lockheed Martin Corporation Bradd A. Buckingham, Lockheed Martin Corporation MG Tzyh-Chyang Chang, National Defense University, Ministry of National Defense, Republic of China</p> <p><b><i>Strategic Planning and Management in Defense Systems Acquisition</i></b> Stanley Rosen, Defense Acquisition University</p>



# DoD Source Selection: Competencies, Deficiencies, and Remedies

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## Abstract

The Department of Defense (DoD), due to inconclusive results from DoD source selection evaluation teams (SSETs), is vulnerable to selecting contractors that are not offering the best value to the government. Cryptic SSET results, furthermore, render the DoD's acquisition process susceptible to corruption, thus endangering the DoD's reputation as well as the careers and freedom of DoD military and civilian personnel. The DoD's source selection directives in DFARS Subpart 215.3, Source Selection, appear to be skillfully and professionally written. In actuality, however, there are weaknesses that contribute to cryptic SSET results. The DoD's prohibition against numerically weighing proposal evaluation factors and prohibition against assigning numerical scores to subjectively rated factors contribute to ambiguous SSET results, provide insufficient transparency, and render the process susceptible to fraud. This paper describes instances of contract corruption by government officials, provides accolades and criticisms of the DoD source selection principles and procedures, and recommends changes to clearly identify contractors offering best value to the government. Implementation of the recommendations presented here will remove ambiguity from the SSET, improve transparency, and reduce opportunities for corrupt officials to prosper through nefarious acts.

## Introduction

The Department of Defense's (DoD's) principles and procedures for selecting contractors when conducting negotiated, competitive acquisitions are contained in DFARS subpart 215-3, Source Selection. The scope of subpart 215.300 refers contracting officers to the provisions of a memorandum from the Director, Defense Procurement and Acquisition Policy (Director) for conducting such acquisitions. The memorandum, dated March 4, 2011, has the subject line "Department of Defense Source Selection Procedures." The mandatory principles and procedures contained in this memorandum, as expected, appear to constitute a well conceived process for evaluating contractor proposals received in response to requests for proposals (RFPs). The purpose, roles, and responsibilities for acquisition officials are well defined and clearly stated. Pre-solicitation activities are, likewise, logical and clearly communicated. One recommended additional provision regarding communications during the pre-proposal phase of the contracting cycle, however, is offered in this paper. The proposal evaluation and decision process required by provisions of the Director's memorandum also portray the initial impression of judicious design to guide the SSET in selecting the contractor offering the best value to the government. A critical evaluation of the process and restrictions in the manner for scoring proposals, however, reveals that the provisions are susceptible to the formulation of cryptic SSET results, less than the desired degree of transparency, and corruption of the contractor selection process. This paper highlights commendable aspects of current policies and procedures, provides examples of contract malfeasance to demonstrate the existence of chicanery in government



contracting, illustrates weaknesses in present policies and procedures, describes the recommended process for evaluating proposals, illustrates how implementation of the recommended evaluation method will identify the contractor offering the best value, and offers additional recommendations. The appendices to the Director's memorandum, Appendix A, Lowest Price Technically Acceptable Source Selection Process, and Appendix B, Debriefing Guide, are not addressed in this paper.

### **Commendable Aspects of Current Practices**

The direction provided to DoD personnel for evaluating proposals and selecting the contractor offering the best value to the government is professionally written and excels in its statement of goals and the qualifications for personnel involved in source selection activities. The roles and responsibilities of the parties participating in the selection of the best qualified contractor are clearly and intelligently prescribed. The explanation of activities undertaken prior to issuance of a solicitation to prospective contractors is exceptional. Although there is no discussion of activities following release of the solicitation and the receipt of proposals, the discussion of the evaluation of proposals is, again, thorough and clear. Direction is provided for every party involved in the contractor selection process. Exception is taken here to the method for weighing the importance of factors and subfactors (future reference to factors should be considered as reference to both factors and subfactors) as well as to the prescribed methodology for scoring the proposal evaluation factors. Despite the exceptions taken here to certain DoD contractor selection policies and procedures, the overall content of the directions for selecting DoD contractors is superb.

### ***Examples of Contract Malfeasance***

Instances of DoD military and civilian personnel becoming embroiled in contract corruption have appeared repeatedly in the media for decades. One recent contract corruption investigation involving the selling of classified information for sex, money, and other gratuities resulted in the contractor, Glenn Defense Marine Asia, allegedly being positioned to overcharge the Navy millions of dollars for ship repairs (Whitlock, 2013). The account of the investigation indicates that despite the Singapore Senate's criticism of the contractor for dumping untreated sewage near Subic Bay and competing contractors complaining for years to the Navy about unfair business practices, Glenn Defense Marine Asia was awarded a \$1 million no-bid contract extension. The investigation revealed weaknesses in the Navy's contracting practices worldwide. Competing contractors complained that Glenn Defense Marine Asia quoted prices so low that, in addition to not making profit, the prices would not have covered the contractor's expenses. Contract loopholes, as reported in the referenced article, permitted the contractor to compensate for low proposed prices by overcharging the Navy millions of dollars for maintenance and repairs. The overcharging was allegedly facilitated by Navy personnel who provided the contractor with classified information regarding the location of naval vessels. As of the date of the article, seven senior Navy officials were charged, suspended, or placed on leave. The Navy reportedly expects additional personnel to be disciplined in this case.

One of the more disturbing contract corruption cases involved one of the Navy's highly decorated heroes of the Vietnam War (Spagat, 2013). Following his distinguished naval career which included becoming the first ace of the Vietnam War, being awarded the Navy Cross, a Silver Star with one oak leaf cluster, and the Purple Heart, he served as a member of the U.S. House of Representatives from 1991 to 2005. Randall Cunningham, however, pled guilty to steering government contracts to contractors in exchange for bribes including a luxury house, Rolls Royce, and other expensive gifts. One former contractor, Brent Wilkes, was convicted of bribing Cunningham with cash and gifts valued at over



\$700,000 in exchange for almost \$90 million in DoD contracts. The AP report indicates that Wilkes is not serving time while he awaits an appeal of his conviction. Another former contractor, Mitchell Wade, served time in prison after pleading guilty to providing Cunningham with over \$1 million in gratuities, including a yacht, in exchange for approximately \$150 million in government contracts. Although the value of the gifts Cunningham received from the two former contractors was approximately \$1,700,000, that amount was eclipsed by the \$240 million in contracts that became a liability for taxpayers. This taxpayer obligation is especially egregious when one considers that during sentencing arguments, Assistant U.S. Attorney Phil Halpern stated that while Cunningham was living the good life, “he ... was squandering precious tax dollars for, among other things, systems the military didn’t ask for, didn’t need and frequently didn’t use” (“Ex-Congressman,” 2006).

### ***Weaknesses in Policies and Procedures***

In preparation for writing a book on government contracting (Curry, 2014), protests over a two-year period that were sustained by the Government Accountability Office (GAO) were studied to determine the rationale for sustaining the protests. Knowledge of the bases for the GAO sustained protests is key to identifying reasons for the federal government’s failure to consistently meet its goal (FAR, 2014) to select the proposal offering the best value to the government. Infractions discovered while conducting the research are identified below in descending order of frequency (indicated in parenthesis):

- Errors Made in Proposal Evaluation Process (50)
- Deficiencies in Determining Acceptable Proposal (16)
- Socioeconomic Contracting Irregularities (15)
- Irregularities during Discussions/Negotiations (8)
- Conflicts of Interest (1)
- Contract Award Irregularities (1)

In addition to the reasons cited by the GAO, matrices reflecting SSET results for all federal government agencies were observed in 20 of the 65 protests reviewed during the research project. Although the acquisitions were not all performed by DoD agencies, the federal acquisition offices involved frequently followed the DoD’s lead in displaying the SSET results in matrices containing adjectival or color ratings for factors. In two of the 20 cases, the contractor offering the best value was identified. In the other 18 cases, however, the matrices displayed inconclusive results regarding which contractor offered the best value.

The two primary weaknesses in the DoD’s efforts to identify the best value proposal stem from restrictions against using numerical values to score proposals and against numerical values to weigh the importance of proposal evaluation factors. The argument opposing the restriction against using numerical values to score proposals will be divided between factors that are subjectively rated and factors that are objectively rated.

With respect to the restriction against using numerical values to score subjectively rated factors, consider the matrix, found in the GAO (2008) protest decision, reflecting the SSET’s evaluation of proposals for the Air Force’s aerial refueling tanker, shown in Table 1, Actual Proposal Rating for Aerial Refueling Tanker.



**Table 1. Actual Proposal Rating for Aerial Refueling Tanker**

		<b>Boeing</b>	<b>Northrop Grumman</b>
<b>Mission Capability/Proposal Risk</b>			
	Key System Requirements	Blue/Low	Blue/Low
	System Integration/Software	Green/Moderate	Green/Moderate
	Product Support	Blue/Low	Blue/Low
	Program Management	Green/Low	Green/Low
	Technology Maturity/Demonstration	Green	Green
<b>Past Performance</b>		Satisfactory Confidence	Satisfactory Confidence
<b>Cost/Price (MPLCC)</b>		\$108.044 Billion	\$108.010 Billion
	Cost Risk	Moderate/Low	Low/Low
	SDD Phase/Production & Deployment Phase		
<b>IFARA Fleet Effectiveness Value</b>		1.79	1.9

MPLCC = Most Probable Life Cycle Cost  
 IFARA = Integrated Fleet Aerial Refueling Assessment  
 SDD = System Development and Demonstration

The actual adjectival and color ratings reflected in Table 1 reflect tied or virtually tied scores for each factor thus resulting in obscure results from the SSET. An examination of the SSET’s findings in the previously cited GAO (2008) decision, however, indicates that the SSET members discerned distinct differences in the contractors’ proposals for the evaluated factors. Indicators of this discernment of differences in the evaluation of factors are provided in the statements below that were taken from the referenced GAO (2008) decision:

Ultimately, the SSAC [source selection advisory council] concluded, however, that Northrop Grumman’s proposal was more advantageous to the agency than Boeing’s under the mission capability, past performance, cost/price, and IFARA factors; the two firms were found to be essentially equal under the proposal risk factor.

Northrop Grumman’s evaluated advantage under the mission capability factor was largely based upon the firm’s perceived superiority under the key system requirements and program management subfactors; the two firms were found essentially equal under the remaining three subfactors.

In the aerial refueling area, the SSAC noted “major discriminators” in favor of Boeing under several KPP [key performance parameters] No. 1 objectives, including its capability to [Deleted], and for a noteworthy non-KPP/KSA [key performance parameters/key system attributes] capability to [Deleted].





The SSAC also noted a number of “major discriminators” in favor of Northrop Grumman in the aerial refueling area, including one under the KPP NO. 2 objective for Northrop Grumman’s proposal to exceed the RFP’s fuel offload versus unrefueled radius range (Boeing’s aircraft was also evaluated as exceeding this KPP objective but to a lesser degree), ... and for a number of non-KPP/KSA requirements, including the proposal of a better aerial refueling efficiency (more pounds of fuel offload per pound of fuel used) than Boeing’s; a “boom envelope” that was [Deleted] times greater than that defined by the Allied Technical Publication (ATP)-56-[23] (Boeing proposed a boom envelope that was [Deleted] times greater than that defined by the publication); and a higher offload and received fuel rate than Boeing. ...

In the aerial refueling area, the SSAC also identified five “discriminators offering less benefit” for Boeing that were assessed under 14 different SRD [systems requirement documents] requirements and one such discriminator for Northrop Grumman that was assessed under 2 SRD requirements. ...

The GAO decision continued by describing numerous other distinctions between the Northrop Grumman and the Boeing proposals. Recall, however, that the matrix summarizing the scoring of the two proposals (see Table 1) reflects virtual ties between the competing contractors for all factors.

The present methodology restricts the rating for subjectively rated factors to an adjective, such as excellent or outstanding, or a color, such as blue or green, for all proposals fitting the narrative for the particular color or adjective. Sophisticated DoD contractors are likely to submit proposals meeting the highest standards for many, if not all, factors. Although SSET members are likely to discern a hierarchy of ratings between the competing contractors, they are presently forced to assign identical adjectival or color scores to each contractor’s proposal. The tied scores, despite the discernment of such a hierarchy in the merits of competing proposals, are demonstrated in Table 1.

During the research into protests sustained by the GAO, discussed earlier, it was noted that objectively rated factors were occasionally given adjectival or color scores. Factors that can be rated objectively, however, would be better understood if the decision matrix reflected the actual numerical value proposed by the contractor or as recalculated for reasonableness by the government. Another problem with adjectival and color scores assigned to objectively rated factors is that calculations cannot be performed to characterize the scores on an equivalent basis, including the ability to convert low values to high scores for factors, such as cost/price, that are favorable with low values. The value of converting scores is discussed later in this paper.

With respect to the restriction against using numerical values to weigh the importance of proposal evaluation factors, consider the present method for reflecting the significance of factors by inclusion of a statement in the solicitation such as the following from the GAO’s decision regarding a protest of the contractor selection for the Air Force’s aerial refueling tankers:

... mission capability, proposal risk, and past performance factors were of equal importance and individually more important than the cost/price or IFARA [integrated fleet aerial refueling assessment] factors, and that the cost/price and IFARA factors were of equal importance. The subfactors within the mission capability factor were stated to be of descending order of



importance. ... Proposal risk would only be assessed at the mission capability subfactor level and for only the first four subfactors. (GAO, 2008)

The primary weakness of this statement of relative values is that the values for the evaluation factors are subject to manipulation during the proposal evaluation process. A corrupt official might assign greater weight than originally envisioned to factors where a favored contractor is strong while lesser weight might be assigned to factors where competing contractors are strong.

The restrictions against using numerical values to score factors and to determine the significance of evaluation factors place unreasonable limitations on the evaluation process. Should these restrictions against using numerical values be eliminated, the SSET results would more clearly define the contractor offering the proposal representing the best value to the government, improve transparency in the evaluation process, and remove the obscurity of SSET results, thereby minimizing the introduction of opportunities to corrupt the contractor selection process.

### ***Recommended Process for Evaluating Proposals***

Rather than resorting to the depiction of the SSET's findings through a confusing matrix containing numbers that may be favorable either if high or low, colors, or adjectives, identification of the contractor offering the best value is recommended through calculation of a combined numerical score that distinctly identifies the contractor proposing the best mix of factors meeting the government's needs. Just as with the present process for rating proposals, however, it is necessary to first determine what factors will be measured and how they should be measured. Continuance of the present practice of documenting the rationale for ratings assigned to factors contemporaneously with the evaluation of proposals is also recommended.

The memorandum from the Director, Defense Procurement and Acquisition Policy (Director), referenced in the Introduction, prohibits numerical scoring of proposals and numerical weighting of evaluation factors. These restrictions against numerical proposal scoring and factor weighting are the greatest contributors to cryptic results from SSETs. The recommendations to avoid cryptic SSET results and distinctly identify the best value proposal include the assignment of numerical scores for subjectively rated factors and use of proposed numerical values, or values recalculated for reasonableness when appropriate, for objectively rated factors. The numerical weighting of evaluation factors is also included in the recommended process for evaluating proposals. A series of equations was developed to convert the numerical scores to a common basis such that high scores are favorable for all factors and to weigh the scores according to the significance of the factors to the government. An example of converting numerical scores to a common basis wherein low values are favorable to the government is the conversion of cost/price to render low proposed amounts for cost/price to high scores. Once the scores are converted such that they can be compared on an equivalent basis and weighed according to their importance to the agency, all factor scores can be added with the proposal having the highest combined score being the proposal offering the best value to the agency.

The values recommended here for subjectively rated factors fall in a range of 70 to 100 as follows:



<u>Score range</u>	<u>Narrative description of factor rating</u>
90–100	Factor meets all and significantly exceeds numerous expectations
80–89	Factor meets all and exceeds several expectations
70–79	Factor meets minimum expectations

One advantage of using a range of scores for subjectively rated factors, as shown above, rather than colors or adjectives, is that proposal evaluators are likely to discern a hierarchy of ratings for individual factors within the adjectival or color category from each contractor’s proposals. When adjectival or color ratings are mandated, evaluators must show tied scores, such as outstanding or blue, for all factors that “meet all and significantly exceed numerous expectations.” When numerical ratings are permitted, discerned differences can be portrayed through scores ranging from 90 to 100.

In addition to converting cost/price to high values, certain other objective criteria might also be more favorable to the government with low values. For example, the lowest temperature in which a system can operate is obviously more favorable to the government when lower operating temperatures are likely to be experienced. The formula developed for converting low cost/price amounts to high values and weighing the values to reflect the significance of such factors is the same formula for converting scores for factors such as low operating temperature. That formula shall be referred to as the formula for “objective factor—low numbers are favorable.” A complete list of the factor types for which equations have been developed is shown in Table 2, Types of Factors and Formulae.

**Table 2. Types of Factors and Formulae**

<b>Type of Factors</b>	<b>Formulae</b>
Subjective factors - high numbers favorable	$S = W(R/HR)$
Objective factors - high numbers favorable	$S = V/(HO/W)$
Objective factors - low numbers favorable	$S = HO-(V-L)/(HO/W)$
Objective factors with an optimal value (Ascending section of line)	$S = V/(OV/W)$
(Descending section of line)	$S = (OV - (V - OV))/(OV/W)$
Objective factors with a suboptimal value (Descending section of line)	$S = SV - (V - LVL)/(SV/W)$
(Ascending section of line)	$S = SV - (HVL - V)/(SV/W)$

Where:

- HO = Highest observed value
- HR = Highest possible subjective rating
- HVL = High value limit
- L = Lowest observed value
- LVL = Low value limit
- OV = Optimal value
- R = Actual subjective rating
- S = Weighed score
- SV = Suboptimal value
- V = Observed value
- W = Criterion weight

***Illustrating Identification of the Best Value Proposal***

To support this recommended approach in the face of potential arguments against numerical factor ratings and weighting, a similar process was implemented and is in use for evaluating proposals by at least seven states, two large cities, and one large university.



While these state and local government agencies should be commended for using an advanced proposal rating schema, their process contains a slight flaw. The flaw emanates from an anomalous equation used for converting low scores to high values. The formula for converting objectively rated factors where low values are favorable, depicted in Table 2, does not contain this anomaly. Although the anomaly is sufficiently obscure that it remained unnoticed for years, it could result in selection of a less than optimal contractor in highly competitive procurements. Despite the flaw, however, their process is considered superior to the DoD's process involving scoring matrices that display a confusing patchwork of adjectives, colors, and numbers that oftentimes fail to identify the proposal offering the best value.

Since factor weights and the proposal scoring process need to be revealed in the solicitation, it is not possible to introduce numerical weighing and scoring processes after-the-fact and expect to identify the contractor that offered the superior proposal. The information gleaned from the GAO report with respect to factor weights and discerned differences by the SSET in the Boeing/Northrop Grumman case can, however, be converted to numerical values to demonstrate how the recommended methodology for weighing evaluation factors and scoring proposals would remove ambiguity from the SSET results. Factor weights, in this example, were constructed based on the importance of the factors as described in the solicitation. The adjectival and color scores were converted to numerical scores based on the SSET's discernment of differences in the proposal scoring as depicted in the GAO decision. The numerical scores were then weighed according to their importance and low numbers were converted, when appropriate, to high values so that all factor scores could be evaluated on an equivalent basis. Table 1 was then reconfigured to reflect the factor weights and the numerical scoring in Table 3, Revised Proposal Rating with Weighted Numerical Ratings for Aerial Refueling Tanker.



**Table 3. Revised Proposal Rating With Weighted Numerical Ratings for Aerial Refueling Tanker**

Mission Capability/Proposal Risk	Factor Weight	Boeing		Northrop Grumman	
		Numerical Rating	Weighted Rating	Numerical Rating	Weighted Rating
Key System Requirements	21	88	18.5	98	20.6
System Integration/Software	17	80	13.6	80	13.6
Product Support	12	92	11.0	92	11.0
Program Management	8	88	7.0	98	7.8
Technology Maturity/Demonstration	2	80	1.6	80	1.6
Past Performance	30	82	24.6	84	25.2
Cost/Price (MPLCC)	15	\$108.044 Billion	15.0	\$108.010 Billion	15.0
Cost Risk SDD Phase/Production & Deployment Phase	0	Moderate/Low	N/A	Low/Low	N/A
IFARA Fleet Effectiveness Value	15	1.79	14.1	1.9	15.0
<b>Combined Total Score</b>			<b>105.4</b>		<b>109.8</b>

MPLCC = Most Probable Life Cycle Cost

IFARA = Integrated Fleet Aerial Refueling Assessment

SDD = System Development and Demonstration

The combined total score of 109.8 for Northrop Grumman in Table 3 indicates that this contractor best meets the criteria established by the agency. This representation of the SSET's evaluation of proposals offers a distinctly clearer identification of the contractor offering the best value to the agency than the Table 1 representation that reflects virtually tied scores, leaving the SSA with flexibility to justify award to either contractor. In one of those rare instances where the SSA is subject to corruptibility, the present method for expressing the importance of evaluation factors in relative terms and scoring factors with adjectives or colors facilitates the fraudulent award of contracts.

The GAO (2011a) decision regarding the sustaining of a protest filed by Solers, Incorporated further illustrates problems associated with identifying the contractor offering the best value to the government. The procuring agency in the Solers case was the DoD Defense Information Systems Agency (DISA). Although, as with the Air Force's aerial refueling tanker procurement, the GAO sustained the protest on numerous grounds and did not specifically identify the cryptic SSET results. Indicators contained in the GAO decision,



however, further support a process to more definitively determine the contractor offering the best value consistent with the scoring and weighing of criteria established by the government. According to the GAO decision, DISA stated the importance of the factors in the solicitation as follows:

The technical factor was more important than the management factor, and these two factors were, combined, more important than the two past performance factors. For purposes of award, the non-price factors were “significantly more important” than price. (GAO, 2011a)

The matrix reflecting DISA’s scoring of the proposals from Solers and Booz Allen Hamilton, Inc. (BAH) is provided in Table 4.

**Table 4. Solers/BAH Decision Matrix**

	<b>SOLERS</b>	<b>BAH</b>
<b>Technical</b>	Blue/Low Risk	Green/Moderate Risk
<b>Management</b>	Blue/Low Risk	Blue/Low Risk
<b>Past Performance Confidence</b>	Satisfactory	Substantial
<b>Past Performance Relevancy</b>	Relevant	Very Relevant
<b>Price/Cost</b>	\$27,419,622.57	\$24,586,719.75

The GAO (2011a) decision included the following narrative characterizing the CO’s decision:

The Contracting Officer (CO) served as the source selection authority for the procurement. The CO found that “[a]lthough the Solers proposal was rated technically superior to BAH’s proposal, the identified strengths do not warrant payment of an approximate 12% higher price.” ... The CO concluded that BAH should be selected for award based on the following rationale: “Based on the technical sufficiency of the [BAH] proposal, the superior past performance, and the lower cost, the Government recommends awarding the contract to [BAH].”

The data in the Table 4 decision matrix does not, however, unequivocally identify Solers as the contractor offering the best value proposal. The CO’s conclusion stated as “the identified strengths **do not** warrant payment of an approximate 12% higher price” [emphasis added] could have, based on the decision matrix data, just as well have favored award to BAH by stating that the identified strengths **do** warrant payment of a price higher by approximately 12%. Recall that DISA’s statement regarding the importance of the factors reads, “For purposes of award, the non-price factors were “significantly more important” than price.” The combination of adjectival scores and relative values representing the importance of the evaluation factors results in a decision matrix that could just as convincingly support contract award to either BAH or Solers. Had DISA used numerical scoring and weighting of the factors in this case, as recommended here, the decision matrix would have clearly identified the contractor proposing the best value to the government.

**Additional Recommendations**

Although the use of numerical scoring and weighting of factors is recommended here, it is not recommended that the government rely solely on numerical scoring. When evaluating factors, it is recommended that the proposal evaluation process be documented contemporaneously with the evaluation of proposals through use of a form similar to the one illustrated in Figure 1, Source Selection Evaluation Team Factor or Subfactor Rating. Creating narrative records contemporaneously with the evaluation of each factor is a



recommended practice. With respect to documenting the proposal evaluation process, GAO decisions have historically included statements regarding the need to contemporaneously document proposal evaluations similar to the following:

Next, our review of the record reveals that the agency failed to adequately document its resolution of weaknesses and risks in several areas of the technical evaluation. Specifically, under the platform integration sub-element and size and weight sub-element of the design approach subfactor, the evaluation documents contain risks and weaknesses that were attributed to Raytheon's proposal, were not resolved, but nonetheless disappeared from the evaluation record without contemporaneous documentation. Although an agency is not required to retain every document generated during its evaluation of proposals, the agency's evaluation must be sufficiently documented to allow our Office to review the merits of a protest. (GAO, 2013)

Implementation of the form illustrated in Figure 1 will also address other weaknesses in the federal government's acquisition process. The weaknesses were discovered during an evaluation of protests sustained by the GAO over a two-year period that was conducted in preparation for writing a government contracting book (Curry, 2014). The acquisition infractions discovered during the review of sustained protests addressed through implementation of this form are listed following Figure 1.



Source Selection Evaluation Team Factor Rating				
Program Number/Name				
RFP Number/Name				
Contractor				
Factor or Subfactor Number				
Factor or Subfactor Title				
Description of Factor or Subfactor from the RFP (Attach Sheets as Required)				
Acceptability of Proposal			Yes	No
Was the Proposal Submitted on Time?				
Does the Proposal Meet All RFP Requirements?				
If not, Is the Proposal Unacceptable?				
Were All Contractors Afforded an Opportunity to Address Deficiencies?				
Were All Required Negotiations/Discussions Conducted?				
The Proposal is Unacceptable Because:				
Rating Method				
Adjectival Rating and Definition			Numerical Rating	
Exceptional:	Proposed solution meets and significantly exceeds all agency's requirements		90-100	
Good:	Proposed solution meets all and exceeds several agency requirements		80 – 89	
Satisfactory:	Proposed solution meets minimum agency requirements		70 - 79	
Evaluation Team Member's Numerical Rating for this Factor or Subfactor				
Contractor's Strengths With Respect to this Factor or Subfactor				
Contractor's Weaknesses with Respect to this Factor or Subfactor				
Evaluation Team Member's Signature			Date	
Evaluation Team Member's Printed Name				

**Figure 1. Source Selection Evaluation Team Factor or Subfactor Rating**

***Proposal Evaluation Weaknesses Addressed Through Figure 1, Source Selection Evaluation Team Factor or Subfactor Rating:***

- Failure to evaluate proposals according to the terms of the solicitation. This weakness is addressed by repeating the description of the factor or subfactor in the Description of Factor or Subfactor From the RFP section exactly as it appears in the solicitation.





- Failure to document evaluation of proposals concurrently with the proposal evaluation efforts. Completing this form during the proposal evaluation process will resolve this failure.
- Improper rejection of proposals that were submitted on time
- Failure to reject proposals not submitted on time
- Failure to determine whether the proposal meets all solicitation requirements
- Failure to document determination as to whether the proposal was acceptable or unacceptable
- Failure to offer all contractors the opportunity to address proposal deficiencies
- Failure to conduct all required negotiations/discussions
- Failure to document reason for determining that a proposal is unacceptable
- Failure to evaluate proposals according to the terms of the solicitation is also addressed in the Rating Method section of the form by repeating the rating method exactly as it appears in the solicitation.
- Failure to record the contractors' strengths with respect to each factor
- Failure to record the contractors' weaknesses with respect to each factor

The memorandum from the Director, Defense Procurement and Acquisition Policy mentioned in the Introduction, transitions from pre-solicitation activities, Chapter 2, to evaluation and decision process, Chapter 3. There is, however, an overlooked critical phase in the acquisition cycle between pre-solicitation activities and the evaluation of proposals. This activity shall be referred to here as the pre-proposal phase. While the contractors are the parties primarily engaged in activities through preparation of their proposals, DoD personnel are responsible for managing pre-proposal communications to ensure that contractors are treated equally while they prepare their proposals. Answering questions directly to an individual contractor in response to a seemingly innocent query, could give the contractor posing the question a competitive advantage over other contractors. One example of such a competitive advantage, although not necessarily innocent, during the pre-proposal stage of the contracting cycle occurred during an acquisition by the Army Corps of Engineers (GAO, 2011b). In this instance, an Army official who was transitioning to the private sector was offered a position with the parent company of a contractor that was competing for a contract to be awarded by his agency. In response to a query from that subsidiary company, the retiring Army official advised the subsidiary company representative that it could offer a price lower than the budgeted price. The solicitation, however, indicated that there would be no advantage to offering a price lower than the budgeted amount. A statement in the solicitation advised prospective contractors that offering a lower price would subject their company to a penalty. The Source Selection Authority for the Army Corps of Engineers cited the lower price as a reason for selecting the subsidiary company for contract award. The decision was protested based on this communication and other irregularities. The GAO sustained the protest.

The recommended method for managing pre-proposal communications and treating contractors on an equal basis is to require all contractors to pose questions via e-mail to one agency official, designated in the solicitation, by a specified date (e.g., two weeks prior to the date that proposals are due). This date is suggested to permit the agency sufficient time to prepare agency responses to contractor questions by a certain date (e.g., approximately one week before proposals are due). It is further recommended that the agency establish a website for responses, also identified in the solicitation, where all contractor questions and



agency responses are posted. Implementation of these recommendations will ensure that all contractor questions and agency responses are identical and available to all prospective contractors at the same time.

## Conclusion

The DoD's source selection procedures prohibit the use of numerical values assigned to reflect the importance of the proposal evaluation factors and prohibit numerical rating of the merits of proposals submitted by prospective contractors. This prohibition against using numerical values results in inconclusive results from source selection evaluation teams (SSETs) and a failure to identify the contractor offering the best value, and renders the DoD source selection process vulnerable to fraud. The failure to adequately manage pre-proposal communications and failure to adequately document the SSET's scoring rationale contemporaneously with proposal evaluation are also serious weaknesses in the DoD's contractor selection process. Implementation of the recommendations offered in this paper to address all the noted shortcomings would result in a pragmatic approach to the selection of government contractors, improve the probability of selecting the contractor offering the best value to the government, and lessen the present vulnerability to contract fraud.

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