

**PART IV – REPRESENTATIONS AND INSTRUCTIONS**

**SECTION M**

**EVALUATION FACTORS FOR AWARD**

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**SECTION M**

**EVALUATION FACTORS FOR AWARD**

**M.1 FAR 52.217-5 EVALUATION OF OPTIONS (JUL 1990)**

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

(End of Provision)

**M.2 DOE-M-7001 EVALUATION OF PROPOSALS (JUL 2018)**

- (a) This acquisition will be conducted using the policies and procedures in FAR Part 15 and DEAR Part 915. A Source Evaluation Board (SEB) will evaluate proposals using the Factors in this Section M. The Source Selection Authority (SSA) will select an Offeror for contract award using the best value analysis described in this Section M.
- (b) The instructions set forth in Section L entitled "Instructions, Conditions, and Notices to Offerors" are designed to provide guidance to the Offeror concerning documentation that will be evaluated by the SEB. The Offeror shall furnish adequate and specific information in its response. A proposal shall be eliminated from further consideration before the initial ratings if the proposal is so grossly and obviously deficient as to be totally unacceptable on its face. For example, a proposal will be deemed unacceptable if it does not represent a reasonable initial effort to address the essential requirements of the solicitation, or if it clearly demonstrates that the Offeror does not understand the requirements of the solicitation. A significant deficiency or multiple deficiencies in one (1) evaluation Factor may also result in elimination of the proposal from further consideration regardless of the rating of the other Factors. In the event a proposal is rejected, a notice will be sent to the Offeror stating the reason(s) the proposal will not be considered for further evaluation under this solicitation.
- (c) The Government intends to evaluate proposals and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(a)). The Government reserves the right to conduct discussions if the Contracting Officer later determines discussions to be necessary. Any exceptions or deviations by the Offeror to the terms and conditions stated in this solicitation for inclusion in the resulting contract may make the offer unacceptable for award without discussions. If an Offeror proposes exceptions to the terms and conditions of the contract, the Government may make an award without discussions to another Offeror that did not take exception to the terms and conditions of the contract.

- (d) Prior to selection for award by the SSA, the Contracting Officer will make a finding whether any potential Organizational Conflict of Interest (OCI) exists with respect to the apparent successful Offeror or whether there is little or no likelihood that such conflict exists. In making this finding, the Contracting Officer will consider the Offeror's representation and disclosure statement required by "DEAR 952.209-8 – Organizational Conflicts of Interest Disclosure-Advisory and Assistance Services". Subparagraph (c)(1) of DEAR 952.209-8, requires a statement, if applicable, from the Offeror of any past, present, or currently planned financial, contractual, organizational, or other interests relating to the Statement of Work. The Offeror should note that paragraph (c)(1) requires that the Offeror provide enough information in the statement to allow a meaningful evaluation by the Government of the potential effect of the interest on the performance of the statement of work. For any actual or significant potential organizational conflict of interest, the Offeror shall also submit a plan of actions/activities to avoid, neutralize, or mitigate such conflict. An award may be made if there is no OCI or, if any, OCI can be appropriately avoided or mitigated.
- (e) A Performance Guarantee Agreement in accordance with the requirement of the Section H Clause entitled "Separate Entity and Corporate Guarantee", will be a condition of the award of this contract.
- (f) Risk will be evaluated by the Government as part of the evaluation of all criteria but will not be separately evaluated as its own criterion.

(End of Provision)

### **M.3 DOE-M-7002 BASIS FOR CONTRACT AWARD (JUL 2018)**

The Government intends to award one (1) contract to the responsible Offeror whose proposal is acceptable and is determined to be the best value to the Government. Selection of the best value to the Government will be achieved through a process of evaluating the strengths and weaknesses of each Offeror's capabilities and approach proposal using the evaluation Factors described below which when combined, are significantly more important than the evaluated price, however. The Government is more concerned with obtaining a superior capabilities and approach proposal than making an award at the lowest evaluated price and fee. However, evaluated price is important, therefore, the Government will not make an award at a cost premium it considers disproportionate to the benefits associated with the evaluated superiority of one (1) capabilities and approach proposal over another. Thus, to the extent that Offerors' capabilities and approach proposals are evaluated as close or similar in merit, the evaluated price is more likely to be a determining factor.

(End of Provision)

**M.4 DOE-M-7005 COST/FEE EVALUATION FACTORS (JUL 2018) (REVISED)**

The Cost/Fee Proposal will not be adjectivally rated or point scored but will be considered in the overall evaluation of proposals in determining the best value to the Government.

Cost proposals will be evaluated for price reasonableness and cost realism in accordance with FAR 15.404. Given the nature of performance-based management and operating contracts, Offerors will not be required to provide, nor will the Government determine, an estimate of overall contract costs. The cost evaluation, however, will include consideration of the Offeror's transition costs and the specified Key Personnel total compensation costs for the first two (2) periods of performance after completion of the 60-day transition period, July 1, 2024, through August 31, 2024. The Government will determine the probable cost of both of the above.

Additionally, the total amount of the maximum annual earnable award fee proposed in Section B.5, DOE-B-7004, for 5 (five) years of the base contract plus 5 (five) years of the option term will also be considered as part of the best value determination.

In summary, for purposes of determining the best value, the evaluated price will be the total of the proposed annual earnable award fee for the 5 (five) year base term and 5 (five) years of the option term, along with the probable cost for transition, and the probable cost for the specified Key Personnel annual total compensation costs for the first two (2) periods of performance after completion of the 60-day transition period, July 1, 2024, through August 31, 2024.

(End of Provision)

**M.5 EVALUATION FACTOR 1 –MANAGEMENT APPROACH**

The evaluation of the Offeror's proposed Management Approach will result in one adjectival rating that considers the following:

Management Approach. DOE will evaluate the Offeror's proposed approach to managing and operating activities at the Strategic Petroleum Reserve including the Offeror's approach to contract transition. DOE will evaluate the depth, quality, effectiveness, and completeness of the Offeror's proposed approach to managing the contract, including implementing a contractor assurance system that identifies and corrects deficiencies; developing budgets and establishing cost controls; achieving safe and environmentally responsible performance of work; assuring the operational readiness of the storage sites/facilities; managing a large workforce; ensuring the integrity, including optimal storage capacity, of the crude oil storage caverns; and identifying specific actions to reduce contract cost.

(End of Provision)

**M.6 EVALUATION FACTOR 2– KEY PERSONNEL AND ORGANIZATION**

The evaluation of Key Personnel and Organization will result in one adjectival rating that considers the following elements:

(a) Key Personnel.

- (1) DOE will evaluate the proposed required key personnel for suitability for the proposed position(s) based on demonstrated leadership; demonstrated experience in performing work similar to that described in the PWS; and qualifications (e.g., education, certifications, licenses) as presented in the resumes.

Failure of the Offeror to propose the required key personnel positions, or to confirm the availability of the required key personnel as being assigned to the contract full-time and that their permanent duty station is located within 50 miles of 850 S. Clearview Parkway, New Orleans, LA 70123 will adversely affect the Government's evaluation of the proposal and may make the proposal ineligible for award.

- (2) Resume. The qualifications and suitability of each individual required key person will be evaluated on the following:

(i) Experience. The key personnel individually will be evaluated on their relevant experience in performing work similar to the work to be performed in their proposed position, including leadership and other accomplishments.

(ii) Education. The key personnel will be evaluated on their education, specialized training, certifications, and licenses, including any experience in lieu of education that supports the suitability for the proposed position.

(iii) DOE may contact any or all of the references, previous employers, or clients to verify the accuracy of the information contained in the resume and to further assess the qualifications and suitability of proposed key personnel.

- (3) Letter of commitment. Failure of the Offeror to provide a letter of commitment for each of the required key personnel will adversely affect the Government's evaluation of the proposal.

- (4) Oral Presentation Information. The oral presentation will consist of a single interview question per Key Person and one Group sample problem. DOE will evaluate the required key personnel team's oral presentation session on:

- Quality and effectiveness of the responses.
- Understanding and performance in their respective positions and as members of the Offeror's management team.

- Understanding of the management challenges posed by the operation of the Strategic Petroleum Reserve.
- Interaction and participation as an integrated management team.

(b) Organization.

DOE will evaluate the Offeror's staffing plan to demonstrate the ability to obtain, retain, and maintain adequate numbers of qualified personnel to safely, and effectively, perform all elements of the PWS. DOE will evaluate the Offeror's organizational breakdown structure to accomplish the PWS and the benefits of its use of subcontracting or teaming arrangements (if any), including roles and responsibilities and lines of authority. DOE will evaluate the Offeror's approach to the variability in workload and work surges, and their understanding of and approach to interfacing with other site contractors, service providers, and site-wide programs providing integrated safety management and an effective safety culture. DOE will also evaluate corporate resources from parent or affiliate organizations, e.g., LLC members or other corporate divisions, which will be used or are available for use; how these resources will/may be used; and the benefit of such to the performance of the contract.

(End of Provision)

**M.7 DOE-M-2008 EVALUATION FACTOR 3 – PAST PERFORMANCE (OCT 2015)  
(REVISED)**

(a) The Offeror, to include all members of a teaming arrangement, as defined in FAR 9.601(1), will be evaluated on the recency, relevancy, and favorability of the past performance information obtained for the Offeror performing work similar in scope, size, and complexity to the requirements of the PWS to assess the Offeror's potential success in performing the work required by the contract. Similar scope, size, and complexity are defined as follows: scope – type of work; size – dollar value and contract duration; and complexity – performance challenges and risk. DOE will evaluate past performance information for contracts that are currently being performed and/or for contracts that were completed within the last five years from the final solicitation issuance date. All members of a Contractor Team Arrangement as defined in FAR 9.601(1) on a past performance contract will be equally credited (positively or negatively). The Government will not apportion past performance differently amongst the team members, as each entity is considered to be responsible for overall performance.

(b) Major subcontractor past performance. In addition to evaluation of the offeror's relevant past performance, the offeror's proposed major subcontractors as defined in Section L, DOE-L-2010(b), will be evaluated on the recency, relevancy and favorability of the past performance information obtained for the major subcontractor performing work similar in scope, size, and complexity to that proposed to be performed by that major subcontractor.

(c) Newly formed entities and predecessor companies. DOE will evaluate past performance information for an entity's parent organization(s) or member organizations in a joint venture, LLC, or other similar or affiliated companies, provided the offeror's proposal demonstrates that the resources of the parent, member, or affiliated company will be relied upon in contract performance such that the parent or affiliate will have meaningful involvement in contract performance. Meaningful involvement means the parent, member or affiliate will provide material, supplies, equipment, personnel or other tangible assets to contract performance. If a common parent company is used to establish the nexus between the Offeror and an affiliated company, the Offeror must demonstrate how the affiliate and Offeror rely on, for example, similar assets, resources, policies, and procedures of the common parent company. The offeror or major subcontractor, whether or not they are a newly formed entity, may also provide past performance information on predecessor companies that existed prior to any mergers or acquisitions where the Offeror's proposal demonstrates such performance reasonably can be predictive of the Offeror's performance.

(d) Sources of past performance information/close at hand information. DOE will consider past performance information provided by the offeror. DOE may contact any or all of the references provided by the offeror and will consider such information obtained in its evaluation. DOE may also consider past performance information from sources other than those provided by the offeror, such as commercial and government clients, government records, regulatory agencies, government databases, and close at hand information (i.e., information relating to the same or similar services with the same procuring activity, or information personally known to the evaluators). DOE will only evaluate past performance information for work it considers relevant to the acquisition in terms of its similarity in scope, size, and complexity, as defined above in paragraph (1), and within the timeframe specified, as defined above in paragraph (1).

More relevant past performance information as well as more recent past performance information may be given greater consideration.

(e) In the case of an Offeror without a record of relevant past performance or for whom information on relevant past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance.

(f) Terminated contracts and cure notices: Contracts of the offeror, to include all members of a teaming arrangement, as defined in FAR 9.601(1), and major subcontractors that were terminated or had cure notices issued to them, including the reasons therefore, within the last seven (7) years may be considered in the evaluation.

(g) ESH&Q past performance information. DOE will consider the Offeror's past performance information related to the areas of environment, safety, health, and quality (ESH&Q).

(End of Provision)



**M.8 DOE-M-2011 RELATIVE IMPORTANCE OF EVALUATION FACTORS (OCT 2015) (REVISED)**

(a) The relative importance of the evaluation factors for the Management Proposal (Volume II) are listed in descending order of importance below.

- (1) Factor 1 – Management Approach
- (2) Factor 2 – Key Personnel and Organization
- (3) Factor 3 – Past Performance

Each evaluation factor applicable to this solicitation is identified and described in this and other provisions of this Section M. The descriptive elements of each evaluation factor will be considered collectively in arriving at the evaluated rating of the offeror's proposal for that evaluation factor. Areas within an evaluation factor are not sub-factors and will not be individually rated but will be considered in the overall evaluation for that particular evaluation factor.

(b) The evaluation factors for the Management Proposal (Volume II), when combined, are significantly more important than the evaluated price.

(End of Provision)