DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
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REPLY TO
ATTENTION OF

AFLG-PR 29 October 2001

MEMORANDUM FOR ALL FORSCOM DOCS

SUBJECT: Contracting Information Letter (CIL) 02 – 06, Best Value Tradeoff Analysis and Decision Documentation

1. The purpose of this CIL is to reinforce the already established standard for conducting and documenting the best value tradeoff analysis.

2. A best value tradeoff analysis does not consist solely of a comparison of the proposal "rating labels" (adjectival or color). "It has been a long standing General Accounting Office (GAO) standard that, while an agency's scores or adjectival ratings provide source selection officials some information for purposes of making an award decision, they generally represent no more than guides to intelligent-decision making (Porter/Novelli, B-258831, Feb. 21, 1995, 95-1 CPD para. 101)." Source selection officials may give these ratings little or great weight, depending on the relative "merits" (strengths, weaknesses, deficiencies, and risks) of the proposals. It must be emphasized that the Source Selection Authority (SSA) compares the "merits" of the competing proposals to conduct the best value tradeoff analysis and arrive at an award decision. A decision document that contains only a "rating label" comparison is inadequate to determine the reasonableness of an evaluation and source selection decision.

3. When the best value decision results in a selection of a higher rated and higher priced (or cost) proposal, the need for well-documented comparison of proposal "merits" cannot be overemphasized. "An award to a higher rated offeror at a higher price is acceptable where the result is consistent with the evaluation criteria and does not violate procurement statutes or regulations, and the contracting agency reasonably determines that the cost (or price) is justified considering the superiority of the selected proposal (J&J Maintenance, Inc., B-284708.2, B-284708.3, Jun. 5, 2000, 2000 CPD 106 at 3; International Consultants, Inc.; International Trade Bridge, Inc., B-278165, B-278165.2, Jan. 5 1998, 98-1 CPD 7 at 5-6)." In other words, the proposal strengths (merits) that were considered in the tradeoff analysis and the benefits associated with these strengths must be identified and documented to warrant the payment of a premium price (or cost). The source selection decision document must be written to display this rationale. This standard can also be located in the Federal Acquisition Regulation (FAR) at Part 15.308: Where a price/technical tradeoff decision is made, the selection decision must be documented, and the documentation must include the

rationale for the tradeoff, including the benefits associated with additional costs. GAO decision (B-286037; B-286037.2, Wackenhut Services, Inc.) released on July 30, 2001, details the pitfalls of not properly documenting the tradeoff rationale to include the benefits associated with additional costs.

4. Comparing proposal merits and documenting the rationale behind the source selection tradeoff decision is the standard for all situations. For example, when the cost/price is secondary to the technical factor under a solicitation's evaluation scheme, the selection of a lower cost/price proposal over a proposal with a higher technical rating requires adequate justification. "This justification must show that the agency reasonably concluded that notwithstanding the point or adjectival differential between the two proposals, they were essentially equal in technical merit, or that the differential between the two proposals is not worth the cost/price premium associated with selection of the higher technically rated proposal (Dewberry & Davis, B-247116, May 5, 1992, 92-1 CPD P 421 at 5.)." Moreover, as briefly mentioned above, a determination by the SSA that proposals are essentially equal must be supported by adequate rationale (the narrative reasons why they are considered equivalent, which would include a discussion of the comparative merits). No two proposals are completely identical, so they are never equal in the classic sense of the word. "Essentially equal" is a conclusion that is arrived at by the SSA through the exercise of the SSA's rational judgment.

5. Please ensure all applicable source selection documents display a well-supported best value tradeoff analysis that shows the SSA compared the "merits" of each proposal to arrive at a "rational" source selection decision.

6. For additional information, please contact Mr. Oscar F. Eichhorn at DSN 367-5632 or oscar.eichhorn@forscom.army.mil.

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