



DEPARTMENT OF THE NAVY

NAVAL FACILITIES ENGINEERING COMMAND
200 STOVALL STREET
ALEXANDRIA, VA 22332 2300

IN REPLY REFER TO

Ser 11/97-007
20 May 97

From: Commander, Naval Facilities Engineering Command
To: Distribution

Subj: SIMPLIFICATION OF SOURCE SELECTION PROCEDURES (97-28)

Encl: (1) EFFECTIVE USE OF PAST PERFORMANCE

1. This letter provides guidance on simplifying the Source Selection Procedure, use of Past Performance in source selections, reducing the size of selection boards and maintaining past performance databases.

2. The Office of Federal Procurement Policy (OFPP) policy letter no. 92-5, entitled "Past Performance Information", and the FAR provisions on past performance contained in Parts 9, 15 and 42 as promulgated by FAC 90-26 were initiated to improve the acquisition process. These policies have placed additional requirements to use past performance in selecting contractors for future awards. The use of past performance as an evaluation factor provides contractors an incentive to do better work, rewards them for good performance, and helps to provide our customers with the "best value" product or service.

3. Normally, there should be three to five technical evaluation factors, including subfactors, for any source selection procurement. One of the three to five factors must be past performance. If past performance is not the most important of all factors, at a minimum, it should be equal to other technical factors. In the unusual instance where more than five criteria are necessary, the contracting officer should document the file explaining the need.

4. For most of our projects that have a reasonably well developed statement of work, typical selection criteria should include:

- 1.) Past Performance
- 2.) Technical/Management Approach
- 3.) Key Personnel

This information is normally sufficient to perform a technical evaluation. In addition, the technical evaluation process is simplified, focused, and requires a minimum number of participants.

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5. The Department of Defense has established Working Integrated Product Teams (WIPT) tailored to the business sectors that represent the Departments suppliers of goods and services. Based on the teams' input, the Department is developing policy for the collection, and improved use of Past Performance in the source selection process. Because the effective use of past performance is dependent on accurate information, maintaining the accuracy of the NAVFAC ACASS/CCASS/SSCASS databases, and other DoD databases that may be deemed appropriate are of the utmost importance. Contracting Offices shall insure that contractor performance information is entered into all databases in order that these sources of information are useful tools for evaluating contractor past performance.

6. The importance of delivering the best value to our customers is our main goal and we can only achieve this goal with good performers, reducing the time of awards and delivering quality projects on time. I will soon contact each of you to discuss the status of this program. I know that I can count on your support and expertise to continue to provide the best products and services to our customers.


R. R. BOYER
By direction

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EFFECTIVE USE OF PAST PERFORMANCE INFORMATION (PPI)

Ref: (a) FAR Part 15.605

(b) A Guide to Best Practices for Past Performance, OFPP, May 1995

1. Reference (a) requires the use of past performance as an evaluation factor in the source selection process, as well as cost/price and technical (quality) factors. Reference (b) provides additional information on use of Past Performance as an evaluation factor.

2. Source selection provides an opportunity to effectively use PPI to improve the delivery and quality of the products the government procures. When including past performance as an evaluation factor, care should be given to the information requested to be included in proposals, and the evaluation criteria which are applied. When seeking information from other sources ask appropriate questions and ask for supporting documentation to obtain as complete a picture of the contractor's performance as possible. In accordance with FAR Part 15.608, firms lacking relevant past performance history shall receive a neutral evaluation for past performance. Following are comments relative to factors often used to evaluate past performance in a source selection as well as suggested information which may be used to evaluate past performance:

a. **Key personnel experience** is of similar value to corporate experience and organizational information. Corporations do not directly perform work; it is the individual employees who will be working the contract and who must have the capability to perform. Accordingly, relevant information about the success of the proposed management team to be applied to a particular contract should be considered as important as historical information about what the corporate body may have done in the past.

b. **Measures of positive performance** should be requested. Proposers should be requested to provide information on projects completed on time, under budget, or where the firm and/or the management team has received positive performance ratings. Proposers should be requested to provide this information (even though the government should have some data in the ACASS/CCASS/SSCASS system). This allows Proposers to use other than government sources as evidence of their capability to perform. Some of this information may include NAVFAC Industrial Incentive Awards, ISO 9000 certification, Malcolm Baldrige awards, and Experience Modification Rates.

c. **Repeat customers**, and established working relationships with subcontractors and consultants, can be another meaningful indicator of a contractor's ability to perform. Those customers and firms which have had positive working relationships in the past usually seek to repeat past successes. Information supporting positive working relationships are another indicator of a Proposer's likelihood for success.