

Page 1 redacted for the following reason:

(b)(3) (10 U.S.C. § 130b), (b)(5), (b)(6)

UNITED STATES SPECIAL OPERATIONS COMMAND

BUSINESS CLEARANCE MEMORANDUM (BCM)

EO RFP H92222-04-R-0024

**COMPETITIVE RANGE RECOMMENDATION
FOR THE
ELECTRO-OPTICAL SYSTEM (EO) / FORWARD LOOKING
INFRARED (FLIR)**

DATE: 16 September 2004

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ATTACHMENT

SSEB REPORT WITH INDIVIDUAL OFFEROR ISSUE SUMMARIES

~~13~~

BACKGROUND

I. SOLICITATION NUMBER: H92224-04-R-0024

ELECTRO-OPTICAL (EO) Forward Looking Infra Red (FLIR) system RFP.

II. OFFERORS:

(b)(4), (b)(5)

(b)(4), (b)(6)

III. DESCRIPTION OF PROPOSED ACTION:

1. The objective of this procurement is to obtain an electro-optical (EO) forward-looking infrared (FLIR) capability for Naval Special Warfare (NSW) Craft. The craft operate in a harsh marine environment under high impact conditions and subject to salt-water corrosion. Therefore, those Offerors whose proposals are found to be within the Competitive Range will be required to provide EO units for lab testing. A Production Representative Sample (PRS) unit will be ordered under CLIN 0001 for Operational Assessment testing from those Offerors awarded a contract.

DELIVERY SCHEDULE: o/a 15 Jan 05 To Finish: 30 September 2009

2. Although it is envisioned that the initial CLIN 0001 PRS will be awarded to multiple Offerors, it is anticipated that the government will only exercise its option for production units, CLINs 0003 – 0030, under one contract.

3. The purpose of this Pre-Negotiation BCM is to obtain approval to notify Offerors to submit EO Test Units, as they are within the Competitive Range. Discussions to resolve weakness and deficiency concerns will continue during and after lab testing of the EO units proposed.

IV. ACQUISITION AUTHORITY: This Full and Open Competition procurement is being competed under FAR Part 15.

V. CONTACT POINTS FOR THIS DOCUMENT

Contracts: Kim DeBois Sousa, PCO, SOAL-KBC

Phone: 813-828-5988

Technical: (b)(3) (10 U.S.C. § 130b), (b)(6)

COMPETITIVE RANGE/DISCUSSIONS

VI. SUMMARY

On 1 March 2004, this requirement was synopsisized. The RFP was issued 8 July 2004 and closed 6 August 2004. There were two administrative Amendments. (b)(4), (b)(5)

(b)(4), (b)(5)

Offeror

EO System

(b)(4)

Formal source selection evaluation began on 10 August 2004. Offeror's written proposals were reviewed and evaluated and a caucus of findings was conducted 16 – 23 August 2004. Requests for clarifications of Management, past performance, subcontracting and pricing were sent out on 17 August for (b)(4) on 20 August for (b)(4) were received 18 August and (b)(4) were received 23 August. Per SOFARS 5615.305(b), the rationale for the decision to communicate with offerors prior to establishment of the CRD was that there were certain issues that needed to be explored to determine whether the proposals should be placed in the competitive range. See FAR 15.306(b)(3).

Proposals were evaluated in accordance with the evaluation areas and factors of Section M of the RFP, and ratings were assigned as specified in the Source Selection Plan as follows:

- a) AREA I – OVERALL TECHNICAL
 - i) Factor TM 1 – Technical
 - ii) Factor TM 2 – Management
- b) AREA II – PAST PERFORMANCE
- c) AREA III – EVALUATED PRICE
(1 PRS + 40 prod units per yr)

(b)(4), (b)(5)

VII. FUNDING

The Combatant Craft Program Office has a little more than \$1.2M of FY03 and FY04 Procurement funds for award of initial Delivery Order(s) under awarded IDIQ contract(s). If all three CLIN 0001 units are ordered, without CLIN 0002 non-warranty repair work, funding required is approximately \$1.1M. For the remaining portion of the contract, it is anticipated that Procurement funds shall be used to obtain systems, and O&M shall be used to sustain the program.

CLIN 0001

(b)(4)

~~SOURCE SELECTION SENSITIVE See FAR 3.104-1~~

VIII. EVALUATIONS:

Proposals were evaluated in accordance with the evaluation areas and factors of Section M of RFP H92222-04-R-0024 and Ratings were assigned as specified in the Source Selection Plan (SSP), as delineated below:

A. EVALUATION AREAS AND FACTORS OF SECTION M:

AREA	FACTOR	SUBFACTOR	RELATIVE IMPORTANCE
1. TECHNICAL/ MANAGEMENT			The Technical Area is significantly more important than the Past Performance Area and the Price Area.
	TM.1 – Technical		Factor TM.1 is significantly more important than Factor TM.2
		TM.1.1 – Physical and Electrical Characteristics	Sub factor TM.1.1 is equally important to Sub factor TM.1.2 and more important than Sub factor TM.1.3.
		TM.1.2 – Operating Characteristics	Sub factor TM1.2 is equally important to Sub factor TM1.1 and more important than Sub factor TM1.3.
		TM.1.3 – Design Maturity	Sub factor TM.1.3 is less important than Sub factors TM.1.1 and TM.1.2.
	TM.2 – Management		Factor TM.2 is significantly less important than Factor TM.1
		TM.2.1 – Quality	All sub factors are equally important.
		TM.2.2 – Corporate Experience	All sub factors are equally important.
		TM.2.3 – Org Plan, Production Plan, & Post Delivery Support Plan	All sub factors are equally important.
		TM.2.4 – Subcontracting Approach	All sub factors are equally important.
2. PAST PERFORMANCE			The Past Performance Area is significantly less important than Technical/Management Area, and the Past Performance Area is significantly more important than the Price Area.
3. PRICE			The Technical/Management Area and Past Performance Area, when combined, are significantly more important than the Price Area.

B. SOURCE SELECTION PLAN “Rating Philosophy”

1. **Area I: Technical/Management Area.** Evaluators will rate their assigned sub-factors using the following color codes:

- a. **BLUE** - An outstanding proposal. A proposal which contains an approach which easily satisfies most of the government’s requirements and which documents methods in extensive detail indicates a thorough understanding of the requirements; and/or provides an approach which reduces the risk of program execution, system performance, or maintainability; and assures low risk in program execution.

CAUTIONARY NOTE! - Blue does NOT mean that what is proposed EXCEEDS government requirements. Rather, it means that a proposal offers a desirable approach to meeting the government requirement, a significant risk reduction because there is documented proof that the approach works, quality is improved, system performance or maintainability is enhanced, or other innovation, which gives substantial benefit to the government.

- b. **GREEN** - An acceptable proposal. A proposal which contains an approach which satisfies many of the government’s requirements and which is documented in adequate detail to indicate the general feasibility of the method and the Offeror’s overall understanding of the requirements. This proposal assures low to moderate risk in program execution.
- c. **YELLOW** - A marginal proposal. A proposal which contains an approach which satisfies some of the government’s requirements which is only minimally documented leaves questions as to its feasibility and/or indicates a minimal understanding of the requirements. This proposal cannot assure less than a moderate to high degree of risk in program execution.
- d. **RED** - An unacceptable proposal. A proposal which contains an approach which has major errors, omissions or deficiencies, or which indicates a lack of understanding of the requirement, and where the identified errors, omissions and deficiencies cannot be corrected without a major revision or rewrite of the proposal. A proposed approach based on untried, unproved methods and lacking sufficient evidence of its feasibility may also receive this rating. This proposal presents a high degree of risk in program execution.

Application of Color Ratings - Color ratings are applied at the lowest rated level and aggregated to determine overall factor and area rating which roll up to an overall proposal rating. Individual evaluators assign color ratings by applying the appropriate qualitative or quantitative evaluation standard to each of the lowest rated level. The color that is most representative of the proposal’s merit relative to the evaluation criteria will be applied.

2. **Area II: Past/Present Performance.** For both phases of the source selection, the assessment ratings for Area II – Past/Present Performance are: “High,” “Moderate,” or “Low” as described below. However, for the first phase of the source selection and IAW FAR 15.305(a)(2)(iv), “in the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror may not be evaluated favorably or unfavorably.” Therefore, a Neutral rating will be assigned. **NOTE:** A proposal

which fails to provide the requested information and which fails to indicate that no relevant experience exists may be rated as deficient and receive a "High" risk rating.

HIGH - Likely to cause serious disruption of contract effort or increase in cost of performance even with special contractor emphasis and close Government monitoring.

MODERATE - Has some potential to cause disruption of contract effort or increase in cost of performance. Normal Government monitoring may overcome most difficulties.

LOW - Has good potential for acceptable performance of the contract effort without an increase in cost of performance. Normal Government monitoring should ensure a timely, quality, and within cost product will be delivered.

3. Area III - Price/Cost.

- a. For the first phase of the source selection, the Government will evaluate the cost proposal for fair and reasonable prices and to determine that all the CLINS in the Schedule (Section B) are fully complete in accordance with the RFP requirements. The Government will assess the total evaluated price that each Offeror will submit by completing an Attachment to the RFP. The total evaluated price will be compared to the other proposals submitted.

C. EVALUATION RESULTS *(see Individual Strengths, Weaknesses and Deficiencies in the SSEB Attachment).*

AREA 1 - Tech/Mgt (Overall)

- i) Sub Factor TM 1-Tech
- ii) Sub Factor TM 2-Mgt

(b)(4), (b)(5)

Per the RFP: "Factor TM.1 is significantly more important than Factor TM.2." Therefore, a GREEN rating for TM1 and a YELLOW rating for TM2 results in an Area 1 Tech/Mgt (Overall) rating of GREEN.

Overall/Factor/Sub factor

AREA 1 -OVERALL TECHNICAL

- Factor 1 - TM 1 Technical
 - TM 1.1 Physical & Electrical Characteristics
 - TM 1.2 Operating Characteristics
 - TM 1.3 Design Maturity
- Factor 2 - TM 2 Management
 - TM 2.1 Quality
 - TM 2.2 Corporate Experience
 - TM 2.3 Org., Prod & Post Delv Supt Plan
 - TM 2.4 Subcontracting

(b)(4), (b)(5)

Per the 'Relative Importance' of the sub-factors stated in the Section M excerpt above, TM 1.1 and 1.2 are of equal value and each more important than TM 1.3, and the TM 2 sub-factors are of equal importance. Therefore, 2 greens and 1 yellow roll-up to a combined rating of Green and 2 yellows and 1 green roll-up to a combined rating of Yellow.

1. TM 1 Technical:

(b)(4), (b)(5)

(b)(4), (b)(5)

TM1

Strength, Weakness, and Deficiency Summary

(b)(4), (b)(5)

TM 1.1 Physical and Electric Characteristics (29 Performance Areas)
 TM 1.2 Operating Characteristics (17 Performance Areas)
 TM 1.3 Design Maturity (2 Performance Areas)

Major Deficiency did not meet the (T)hreshold requirement and would preclude award
 Minor Deficiency did not meet the (T)hreshold requirement, but will not preclude contract award

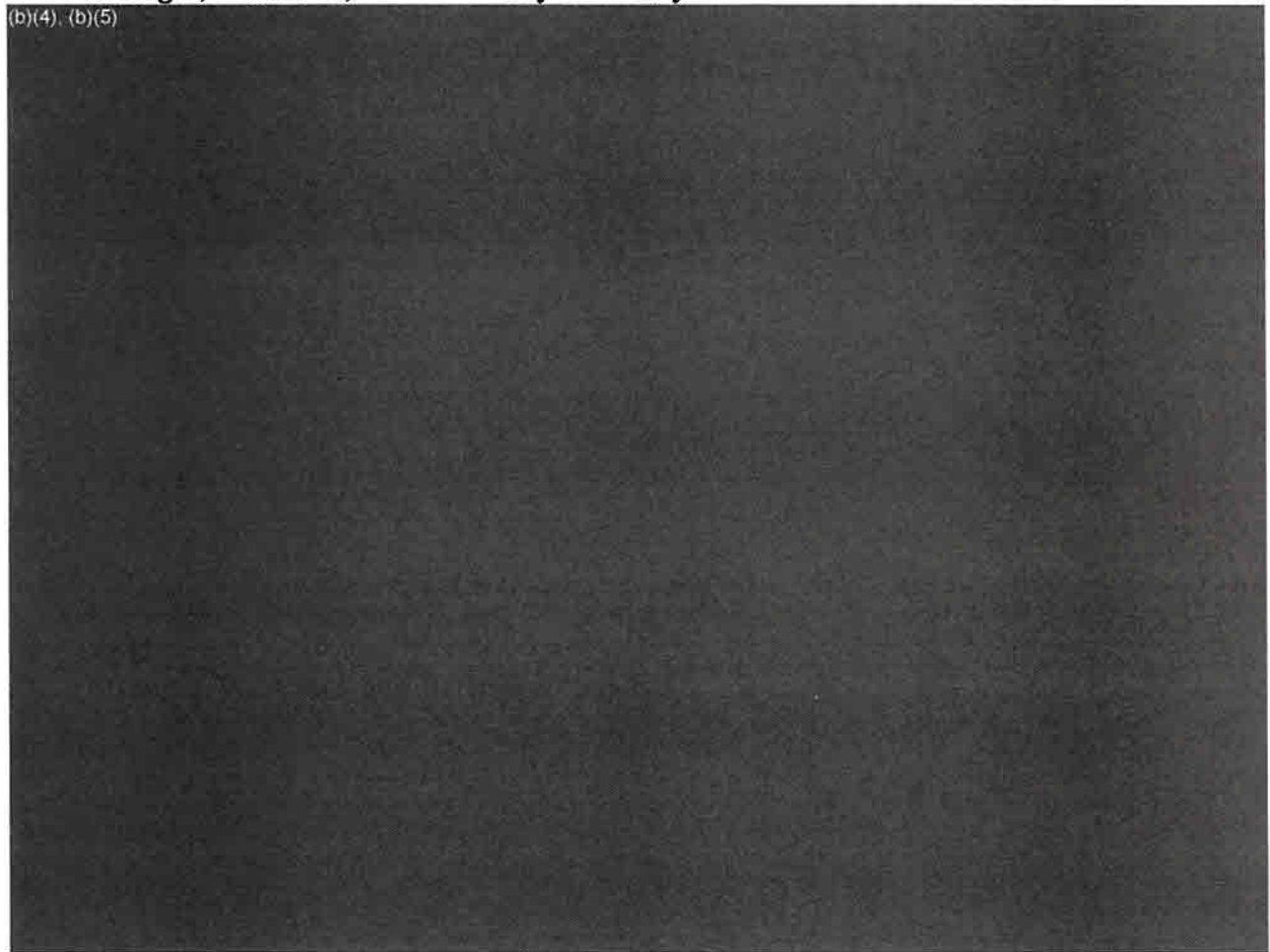
2. TM 2 Management:

(b)(4), (b)(5)



**TM2
Strength, Weakness, and Deficiency Summary**

(b)(4), (b)(5)



~~SOURCE SELECTION SENSITIVE - See FAR 3.104-4~~

AREA II – Past Performance

(b)(4), (b)(5)

1. (b)(4)

Area II Past Performance

(b)(4), (b)(5)

(b)(4), (b)(5)

2. (b)(4)

Area II Past Performance

(b)(4), (b)(5)

(b)(4), (b)(5)

Per SOFARS 5615.406-3.90(d), the PPAIS was queried.

(b)(4), (b)(5)

(b)(4), (b)(5)

3.

(b)(4)

Area II Past Performance

(b)(4), (b)(5)

(b)(3) (10 U.S.C. § 130), (b)(4), (b)(5)

~~SOURCE SELECTION SENSITIVE - See FAR 3.104-4~~

(b)(4), (b)(5)

D. SUMMARY OF DISCUSSIONS: For the specific discussion issues related to the Technical/management Area, please see the attached letters. Regarding the Price Area, the Offerors are going to be queried regarding pricing calculations and maintenance plan.

IX. OTHER BCM CONSIDERATIONS:

TYPE OF CONTRACT: Indefinite Delivery/Indefinite Quantity (IDIQ) type contract with the capability to award Firm Fixed Price and Time and Material Delivery/Task Orders.

DELIVERY REQUIREMENTS: See Section F of the solicitation.

UNIQUE TERMS AND CONDITIONS: None.

HUBZONE CONSIDERATIONS: None.

GOVERNMENT FURNISHED PROPERTY, EQUIPMENT, SERVICES, OR INFORMATION: None.

SUBCONTRACTING PLAN/GOALS CONTRACTUAL REQUIREMENTS: See discussion in Management area above.

EEO PREAWARD COMPLIANCE: Per FAR 22.805, this requirement shall be completed prior to award.

BUY AMERICAN ACT REQUIREMENTS: No non-qualifying country products received. Therefore, the Buy American evaluation factor requirements do not apply.

CURRENT STATUS OF CONTRACTOR SYSTEMS: Since the solicitation and resultant contract contains cost-reimbursement contract line items, the adequacy of the offerors' accounting systems had to be verified. It was verified. Thus, both offerors have adequate accounting systems for purposes of a cost contract. See FAR 16.301-3(a)(1).

COST AND PRICING DATA: Offerors were not required to provide Certified Cost or Pricing Data because adequate competition was anticipated. Adequate competition was indeed achieved; and therefore, no cost or pricing data will be required to determine cost/price reasonableness.

IX. PRE-NEGOTIATION APPROVAL TO ESTABLISH COMPETITIVE RANGE AND ENTER DISCUSSIONS:

(b)(4), (b)(5)



Request approval to notify Offerors to submit their EO test units for resolution of Weakness and Deficiency concerns.

POA&M

(b)(5), (b)(7)(E), (b)(7)(F)



Request approval to commence negotiations and to waive review and approval of Post Negotiation Business Clearance Memorandum.

END

~~Concur~~ Non-concur.

(b)(3) (10 U.S.C. § 130b), (b)(6)



22 Sep 04

Chief, Procurement Management Division