SECTION M -- EVALUATION FACTORS FOR AWARD

M.1 52.252.1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

FAR http://www.arnet.gov/far/
TAR http://www.dot.gov/ost/m60/tamtar/tar.htm
TAM http://www.dot.gov/ost/m60/earl/tam.htm

M.2 EVALUATION PROCESS

M.2.1 This acquisition will be conducted pursuant to the policies and procedures in FAR Subpart 15.3, and the TAM, Subpart 1215.3, Source Selection, dated August 17, 2000. MARAD has established a Source Selection Evaluation Board (SSEB) to evaluate the proposals submitted for the acquisition. Proposals will be evaluated by the SSEB members in accordance with the procedures contained in FAR Part 15, and Evaluation Factors hereinafter described.

M.2.2 Offerors registered on the Virtual Office of Acquisition (VOA) and the bidders mailing list will submit proposals via the web-based VOA system. Hardcopies of proposals or submissions via any other medium, unless specifically specified in the Solicitation shall neither be accepted nor evaluated.

M.2.3 All evaluations/reviews for this Solicitation will be conducted electronically via MARAD's VOA by members of the respective evaluation teams: Initial E-Review Team, Mandatory Requirements Team, Technical and Management Evaluation Team (TET), Past Performance Evaluation Team (PPET), and Price Evaluation Team (PET). Access to source selection sensitive information will be restricted to designated Government personnel identified in the Source Selection Plan. The evaluation process will be performed electronically as follows:

(a) Initial E-Review: Following the closing date for electronic proposal submission, the Initial E-Review Team will conduct an initial review of all submissions to ascertain the completeness of the electronic information provided, and adherence to electronic proposal submission instructions.

(b) Evaluation of Special Standards – Mandatory Requirements submissions: The Mandatory Requirements Team will determine whether the submissions satisfy the mandatory requirements in the areas of U.S. Citizenship, Operating Qualifications, and Minimum Working Capital. Only those offerors who meet the mandatory requirements will

be considered for inclusion in the competitive range.

(c) Evaluation of Technical/Management Proposal submissions: There are six (6) factors and their sub-factors against which each proposal will be evaluated and scored by the TET in accordance with the criteria outlined in Section M.4.

(d) Evaluation of Past and Present Performance Information Data: The PPET will evaluate offeror's submissions in response to the past and present performance elements described in Section L.9. The evaluation of past performance/risk is two-fold, and will be evaluated in accordance with the evaluation criteria outlined in Section M.5.

(e) The TET and PPET evaluators will identify all requests for clarifications to the PCO who will obtain clarifications from the offerors via the VOA website. Responses received following a request for clarification will be provided to the respective evaluation team for consideration in developing the offeror's score. Evaluation teams will identify relative strengths, deficiencies, significant weaknesses, and risks and will document those in the final team report.

(f) Final Proposal Revision Evaluations: If requested, final proposal revisions (FPRs) will be evaluated electronically by the appropriate team evaluators.

M.2.4 Evaluation of Price Proposals: Price proposals will be evaluated by the PET in accordance with the evaluation criteria outlined in Section M.6. The total price supplied by the offeror shall be submitted as Section B in the designated spaces on VOA and shall constitute the total firm-fixed unit price for that CLIN/sub-CLIN, and any Option CLINs.

M.2.5 The Government will consider any proposal qualification within the initial limitation of award submitted by the offeror.

M.2.6 The Government may determine that an offer is unacceptable if the prices proposed are materially unbalanced as defined in FAR 52.215-1(f), Contract Award. Furthermore, proposals which are unrealistically high or low in terms of price, may be deemed to reflect an inherent lack of technical competence or to indicate a failure to comprehend the complexity and risks of the proposed work, and may be grounds for rejection of the proposal.

M.2.7 Quality of Proposals. Evaluation of an offeror's proposals shall be based on the information presented in the proposal. Since the proposed contract requires the delivery of data, the quality of organization and writing reflected in the proposal will be considered to be an indication of the quality of organization and writing which would be prevalent in the proposed deliverables.

M.2.8 Award will be made to the responsive, responsible offeror whose proposal offers the best value to the Government in accordance with Section M.10. In the event that a proposal is rejected or eliminated from evaluation consideration, a notice will be sent to the offeror via VOA stating the reason(s) that the proposal will not be considered for further evaluation under this solicitation.

M.3 EVALUATION FACTORS

M.3.1 IMPORTANCE OF EVALUATION FACTORS AND SUBFACTORS

Proposals will be evaluated in three main areas: 1) Technical/Management; 2) Past Performance; and 3) Price. Technical/management factors are more than twice as important as past performance factors. Technical/management and past performance combined are significantly more important than price.

M.3.2 SPECIAL STANDARDS – MANDATORY REQUIREMENTS

M.3.2.1 General: Offerors must meet each of the special standards – mandatory requirements listed below to be considered for inclusion in the competitive range. Failure to meet these standards will eliminate the proposal from further consideration. Offerors will be notified by the PCO. In order to ensure compliance with these mandatory requirements by the time the PCO establishes the competitive range, offerors must submit the required documentation by the date and time specified in Section L.

M.3.2.2 Communication regarding Mandatory Requirements: In evaluating the mandatory requirements, the Government may need to obtain additional information and/or seek clarifications from offerors to ascertain the acceptability of the information provided. Such communications are permitted only until the date established for compliance with these mandatory requirements, shall be coordinated by the PCO, and shall not constitute negotiations.

M.3.2.3 United States Citizenship Requirements: Pursuant to 46 CFR §315.5(a)(1) and H.12, United States Citizenship, each awardee must be a United States Citizen as defined in 46 CFR §315 and 46 U.S.C.§802(a) and §802(b) and continue to be a U.S. Citizen throughout the life of the contract. The offeror must establish “citizenship” in the form and manner prescribed in 46 CFR §355, to the satisfaction of MARAD, by the compliance date specified in Section L.7. Each Offeror’s Affidavit of Citizenship (Section K.6) and supporting documentation will be evaluated and a determination will be made as to whether the offeror is a U.S. Citizen pursuant to 46 CFR §315and 46 U.S.C. §802(a) and §802(b).

M.3.2.4 Vessel Owner/Operator. By the due date established in Section L.7, offerors must be operators or owner/operators <u>within the past five (5) years</u> of at least one (1) self-propelled vessel, or Integrated Tug/Barge, of at least 450’LLWL, with a minimum cargo capacity of 7,500 DWTs or a Tanker of at least 25,000 DWTs. Offerors must complete Section K.7, listing name, size, and registry of vessel meeting this requirement. Offerors are not required to be current owner/operators for each type/class of vessel they are proposing.

M.3.2.5 Minimum Working Capital - $250,000 per vessel. By the due date established in Section L.7, offerors must provide evidence of working capital sufficient to perform the duties required by this contract. Such proof must meet the requirements specified in Section G.10, Minimum Working Capital. By the compliance date established in Section L.7, an offeror must establish, to the satisfaction of the CO, that it has sufficient working capital to meet the requirements

specified in G.10. Offerors must update evidence of minimum working capital for any proposal revisions for additional vessels.

M 4 EVALUATION OF OFFERORS TECHNICAL/MANAGEMENT PROPOSAL

M.4.1 TECHNICAL/MANAGEMENT EVALUATION

M.4.1.1 General. The Technical/Management proposal will be evaluated qualitatively under Technical/Management Evaluation Factors to assess the offeror's understanding of and compliance with the solicitation requirements, thoroughness of the response and feasibility of the proposed methodology to accomplish each of the performance requirements identified within the PWS that are related to the performance goals (elements) below. Risk relative to the proposed technical/management approach is evaluated as part of the technical evaluation to ascertain the likelihood of success of the proposed approach. Technical/management and past performance combined are significantly more important than price.

M.4.2 TECHNICAL/MANAGEMENT EVALUATION FACTORS

Technical/management proposals will be evaluated based on the evaluation factors and subfactors listed below. The six (6) factors and their sub-factors against which each proposal will be evaluated and scored are identified below. The six (6) factors are listed in descending order of importance from highest to lowest; however, Factors A and B are more than twice as important as the remaining factors combined. Sub-factors within a factor are of equal importance.

M.4.2.1 FACTOR A – MAINTENANCE MANAGEMENT GOAL – Responsive, high-quality execution of fleet maintenance requirements.

Sub-factors	
M.4.2.1.a:	Maintenance and repair of ocean-going vessels methodology
M.4.2.1.b:	Port Engineering services methodology, including teaming arrangements.
M.4.2.1.c:	Business plan development and annual work plan execution understanding and approach.
M.4.2.1.d:	Phase M and Phase O scheduled preventive maintenance and repairs methodology
M.4.2.1.e:	Vessel performance/cost risk mitigation
M.4.2.1.f:	Proposed ROS crew composition by vessel. (Proposals for ROS Vessels Only)
M.4.2.1.g:	ROS crew allocation methodology and outside (industrial) support (Proposals for ROS Vessels Only)
M.4.2.1.h:	Preventative Maintenance/Conditioning Monitoring Methodology (Proposals for ROS Vessels Only)
M.4.2.1.i:	Methodology for total maintenance/activation/deactivation program for RRF-10 vessels (Proposals for RRF Vessels Only)
M.4.2.1.j:	Superior ship management experience example

M.4.2.2 FACTOR B – LOGISTICS, ACTIVATION, OPERATIONS, AND DEACTIVATION GOALS - Success in performing or supporting core RRF requirements.

Sub-factors

M.4.2.2.a:	Mass activation approach and risk mitigation
M.4.2.2.b:	Overseas business and repairs capability
M.4.2.2.c:	High quality crew sustainment methodology and policies
M.4.2.2.d:	Contingency plan procedures
M.4.2.2.e:	Logistics policies/procedures integration
M.4.2.2.f:	Performance/cost risk mitigation
M.4.2.2.g:	Corporate activation experience for vessels under lay-up for more than 90 days
M.4.2.2.h:	Ship Operations methodology
M.4.2.2.i:	Owner/operator experience

M.4.2.3 FACTOR C – SAFETY, ENVIRONMENTAL, SECURITY GOALS – No adverse impacts on the environment and adherence to safety standards and sound safety practices.

Sub-factors

M.4.2.3.a:	Experience and timeline in obtaining ISM DOC and SMC (NO SCORE)
M.4.2.3.b:	Layberth (Outport) internal vessel security approach
M.4.2.3.c:	Corporate experience in preparing plans
M.4.2.3.d:	Corporate response to environmental threats and vessel security/crew threats
M.4.2.3.e:	Approach/Methodology for Safety, Environment and Security training
M.4.2.3.f:	Reported environmental and/or safety violations, fines, or incidents; and safety or environmental awards received (NO SCORE)
M.4.2.3.g:	Narrative description of the results of the third party audit of your ISM Certification (NO SCORE)

M.4.2.4 FACTOR D - HUMAN RESOURCES GOAL – Ability to adequately crew the ship with qualified marine personnel

Sub-factors

M.4.2.4.a:	Performance of ROS crew in Phase M and Phase O (Proposals for ROS Vessels Only)
M.4.2.4.b:	Continuity of services for staff and crew rotations in both phases
M.4.2.4.c:	FOS crew compliment
M.4.2.4.d:	Role of Port Engineering staff
M.4.2.4.e:	ROS Crew STCW-95 Certification and Training (Proposals for ROS Vessels Only)
M.4.2.4.f:	Collective Bargaining Agreements (NO SCORE)
M.4.2.4.g:	Organizational Flow Diagram for the Offeror affiliates, parent and major subcontractors (NO SCORE)
M.4.2.4.h	Organizational Flow Diagram for offeror (NO SCORE)

M.4.2.5 FACTOR E – BUSINESS MANAGEMENT GOAL – Comply with Government and company policies, procedures, and practices.

Sub-factors

M.4.2.5.a:	Approach to maximize retention/continuity of experienced shoreside staff and ROS crews
M.4.2.5.b:	Corporate Commercial Purchasing System Procedures
M.4.2.5.c:	Corporate Quality Assurance Plan
M.4.2.5.d:	Example of Quality Assurance Plan Non-compliance Procedures

M.4.2.6 FACTOR F – FINANCIAL MANAGEMENT GOAL – Effectively manages and controls costs.

Sub-factors

M.4.2.6.a:	Approach/methods to cost controls
M.4.2.6.b:	Corporate systems for tracking operational overtime
M.4.2.6.c:	Claims cost by fleet
M.4.2.6.d:	Prime and subcontractor invoice tracking
M.4.2.6.e:	Corporate accounting system

The solicitation contains five (5) sub-factors that must be addressed only by those offerors proposing on ROS vessels; and one (1) sub-factor that must be addressed only by those offerors proposing on RRF vessels. To ensure the integrity of the scoring system, offerors not proposing on both ROS and RRF vessels, will be assessed a neutral score, i.e. satisfactory for the applicable sub-factor(s).

M.5 EVALUATION OF OFFERORS PAST PERFORMANCE

M.5.1 PAST AND PRESENT PERFORMANCE EVALUATION

Relevant past performance information is one factor of an offeror's ability to perform the contract successfully, and the degree of performance risk associated with each competing offeror. The PPET will evaluate all performance data obtained to determine how relevant the work performed under those efforts relates to the proposed effort, and the quality of the work performed. The PPET will, as deemed necessary, confirm past and present performance data identified by offerors in their proposals and obtain additional past and present performance data, if available from other sources. Each member of the PPET will review all material provided by the CO and as submitted by the offeror under Section L.9.

M.5.1.1 The PPET will consider recent (not older than 3 years), relevant past performance information from MARAD's existing in-house performance evaluation system, Ship Manager Performance Evaluation Tracking System (SM-PETS), Contract Administrative Reviews (CAR) and Federal, state, local, and private/commercial sources. The evaluation of past performance/risk is two-fold. Evaluators will assess the degree of relevancy and the degree of risk associated with each submission/proposal.

M.5.1.2 Under the Past Performance factor, the Performance Confidence Assessment represents the evaluation of an offeror's present and past work record to assess the Government's confidence in the offeror's probability of successfully performing the contract.
Past performance will be rated against the following factors which are listed in descending order of importance:

1. Quality of service
2. Cost Control
3. Problems and resolutions
4. Timeliness and responsiveness of performance
5. Commitment to customer satisfaction
6. Quality awards and certifications
7. Compliance with subcontracting goals for small disadvantaged businesses

Each relevant contract shall have been performed during the past three (3) years from the date of issuance of this solicitation. A relevancy determination of the offeror's present and past performance, including joint ventures, subcontractors and/or teaming partners, will be made. In determining relevancy for individual contracts, consideration will be given to the effort, or portion of the effort, being proposed by the offeror, teaming partner, or subcontractor whose contract is being reviewed and evaluated. Higher relevancy will be assessed for contracts that are most similar to the effort, or portion of the effort, being proposed. The Government is not bound by the offeror's opinion of relevancy. The following relevancy ratings will be used by the PPET.

Relevancy	**Rating**
Very Relevant	Past/present performance effort involved essentially the same magnitude of effort and complexities this solicitation requires.
Relevant	Past/present performance effort involved much of the magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Past/present performance effort involved some of the Magnitude of effort and complexities this solicitation requires.
Not Relevant	Past/present performance effort did not involve any of the magnitude of effort and complexities this solicitation requires.

M.5.1.3 When an offeror’s relevant performance record indicates performance problems, the Government will consider the number and severity of the problems and the appropriateness and effectiveness of any corrective actions taken (not just planned or promised). The Government may review more recent contracts or performance evaluations to ensure corrective actions have been implemented and to evaluate their effectiveness.

M.5.1.4 The PPET may consider the offeror’s, including subcontractors, joint ventures, and teaming partners, past performance in aggregate, rather than on an effort (contract) by effort basis.

M.5.1.5 The currency and relevance of the information, source of the information, context of the data, and general trends in contractor’s performance shall be considered. This comparative

assessment of past performance information is separate from the responsibility determination required under FAR Subpart 9.1.

M.5.1.6 Pursuant to FAR 15.305, the assessment will consider the extent to which the offeror's evaluated past performance demonstrates compliance with FAR 52.219-8, Utilization of Small Business Concerns and FAR 52.219-9, Small Business Subcontracting Plan.

M.5.1.7 Offerors without a record of relevant past performance or for whom information on past performance is not available may not be evaluated favorably or unfavorably on past performance in accordance with FAR Part 15.305(a)92(iv), and, as a result, will receive a "Neutral/Unknown Confidence" rating for the Past Performance factor.

M.5.1.8 If adverse past performance information is the determining factor preventing an offeror from being placed within the competitive range, the offeror will be afforded the opportunity to address adverse past performance information to which an offeror has not had a prior opportunity to respond.

M.5.1.8.1 Adverse past performance is defined as past performance information that supports a less than satisfactory rating on any evaluation element or any unfavorable comments received from sources without a formal rating system.

M.5.1.9 The evaluation will also take into consideration available and/or provided past performance information regarding predecessor companies, and key personnel who have relevant experience.

M.5.1.10 Final weighted, averaged past performance/risk scores will be added to final weighted, averaged technical/management score to form a combined technical proposal score.

M.6 PRICE EVALUATION

M.6.1 General. Due to the anticipated competition, the Government has determined that the submission of certified cost and pricing data is not required in accordance with FAR Part 15.403-1(c)(1). In evaluating prices, the CO will conduct a price comparison by ship group, based on the Notional Schedule in Section M.6.2, to establish price reasonableness. In addition, all prices and price-related information proposed, inclusive of option prices, will be evaluated for realism in terms of the offeror's proposed technical management approach/methodology and risks associated with relevant past performance. Actual award prices will differ based on the phase a vessel is in at NTP.

M.6.2 Notional Schedule. The following notional schedule will be used for evaluation purposes and for establishing the total estimated contract award amount. Using the Notional Schedule during selection as a means of price comparison ensures fairness in consideration of price proposed for all CLINs.

Phase	ROS Ships	RRF10 Ships	PREPO
Maintenance (M)	305 days	305 days	0 days
Operations (O)	60 days	60 days	365 days

M.6.2.1 For each ship proposed, a notional price will be developed using the ship's readiness as listed in TE-4, the Notional Schedule above, and the number of months under the contract, including options. The Per Diem rates for each CLIN applicable to the appropriate readiness status will be multiplied by the number of notional days (Maintenance or Operations) for each Phase. Option prices will be evaluated as proposed, not inclusive of Economic Price Adjustment (EPA) and CPI. Option prices will be evaluated as proposed, not inclusive of the price adjustment to wages and fringe benefits required by FAR 52.222-43 or the EPA based on the CPI provided for in Section G.2.

M.6.2.2 For ships listed as PREPO for all contract years in TE-4, the Per Diem rates proposed for OPERATIONS CLIN will be examined over 365 days.

M.6.2.3 As stipulated in Section G.2, this is a multi-year, award term incentive option contract, consisting of four (4) base years, for all ship groups with the exception of Ship Group 6 and Ship Group 11 (see Section F.5). The contract provides for two 3-year award term options, for a 10-year total contract performance period; and the option of additional vessels by ship group. The Notional Schedule above will be used to evaluate all proposed prices for award term incentive options and additional vessels options, exclusive of EPA and CPI. Option prices, for both award term incentives and additional ship incentives will be evaluated as proposed, not inclusive of price adjustment and EPA. The ROS crew wages contained in the last base year fixed price will form the floor for pricing option years. Ship groups 6 and 11 will not be evaluated with incentive awards due to the uncertainty of the program requirement and associated funding.

M.6.2.4 Evaluation of Preventive Maintenance (PM) for RRF-10

Preventive Maintenance (PM) is to be priced as part of the offeror's fixed price line item. Consistent with the instructions in L.8.2.1.9, offerors have the option of having the NDRF Fleet Personnel perform the preventive maintenance. Offerors must clearly identify who will be performing preventive maintenance. The cost to the Government of performing PM by NDRF Fleet Personnel twice a year is estimated at a total of $231,100 per year per ship. In case of preventive maintenance performed by NDRF Fleet Personnel, this cost shall not be included in the fixed price line item. ***IF*** the offeror proposes to have the Fleet perform Preventative Maintenance, MARAD will add $231,100 per year per vessel to the offeror's notional price for each ship for which NDRF Fleet Personnel will be performing preventive maintenance.

M.6.3 Price Reasonableness and Realism. All prices proposed in Section B will be evaluated for reasonableness. Price will also be evaluated for realism in terms of the technical/management methodology and/or approach proposed. The results will be considered in the best value decision. The price proposed in each CLIN must be determined to be reasonable in all Phases (Maintenance and Operations) in order to be considered for an award.

M.6.3.1 Crew Wages (see Section L.11.2). Crew Wages for ROS crews will be evaluated for reasonableness and compliance with the DOL's Wage Determination. FOS crew wages will be reviewed for reasonableness.

M.6.3.2 Consistent with FAR Part 17.106-1(c), offerors will be afforded the opportunity to propose cancellation ceilings for each year of the multiyear contract (base contract period only). Cancellation ceilings proposed will be evaluated for reasonableness and realism, but will ultimately be established by the PCO and will not be included in the overall price evaluation and award decision.

M.6.3.3 To determine price reasonableness, a price analysis in accordance with FAR 15.4 for competing offers will be conducted.

M.6.3.4 To determine realism of the proposed prices, all prices and price-related information proposed will be evaluated in terms of the offeror's proposed technical management approach/methodology.

M.6.4 The Government may determine that an offer is unacceptable if the prices proposed are materially unbalanced as defined in FAR 52.215-1(f), Contract Award. Furthermore, proposals, which are unrealistically high or low in terms of price, may be deemed to reflect an inherent lack of technical competence or to indicate a failure to comprehend the complexity and risks of the proposed work, and may be grounds for rejection of the proposal.

M.6.5 Offerors are encouraged to propose multiple ship discounts, expressed as dollar discounts per ship savings beyond the first ship awarded. Multiple ship discounts will be evaluated and considered in the final award decision.

M.7. LIMITATION OF AWARD

M.7.1 Award to one entity/offeror under this solicitation as defined in Section L.13 shall not initially exceed 12 ships, except as stated below. MARAD defines the term "entity/offeror" as a "business entity having distinct, separate, support systems, i.e., accounting, technical and operations group, management and collective bargaining agreements."

M.7.1.1 The following ship groups are not included in the 12-ship limit: Group 6 and Group 11.

M.7.2 Within the maximum number of 12 vessels, the Government will determine the number of RRF vessels which may be awarded to an offeror in the initial award based on a combination of that offeror's Technical/Management score and Past Performance score. In accordance with FAR 37.108, MARAD's determination of the maximum number of vessels each offeror may receive is a matter of technical evaluation and is not a responsibility determination. Accordingly, in the case of small business offerors, that determination shall not be referred to the Small Business Administration (SBA) for a Certificate of Competency.

M.8 COMMUNICATIONS WITH OFFERORS BEFORE ESTABLISHMENT OF THE COMPETITIVE RANGE

Communications are exchanges between the PCO and offerors, after receipt of proposals, leading to the establishment of a competitive range. If a competitive range is to be established, these communications will be conducted with offerors whose past performance information is the determining factor preventing them from being placed within the competitive range and may only be held with those offerors whose exclusion from, or inclusion in, the competitive range is uncertain. Communications shall address adverse past performance information to which the offeror has not previously had an opportunity to comment.

In addition, communications may be conducted to enhance the Government's understanding of the proposal, allow for reasonable interpretation of the proposal or facilitate the Government's evaluation process. Such communications shall not be used to cure proposal deficiencies or material omissions, materially alter the technical or cost elements of the proposals and/or otherwise revise the proposal. Such communications are for the purpose of addressing issues that must be explored to determine whether a proposal should be placed in the competitive range.

M.9 COMPETITIVE RANGE

After completion of the technical/management, past performance, and price evaluations the PCO will develop a competitive range consisting of those proposals most likely to be considered for award. The PCO may further reduce the number of offers in the competitive range in accordance with FAR Part 15.305(a)(2)(iv) to ensure the efficiency of the source selection process. Those offerors not included in the competitive range will be notified and afforded the opportunity of a debriefing.

M.9.1 Negotiations. Awards may be made on the proposals as submitted, without negotiation. When and if held, negotiations will be led by the PCO, and will be conducted with all offerors in the competitive range. Negotiations are undertaken with the intent of allowing the offeror to revise its proposals. Negotiations will be tailored to each offeror's proposal with the primary objective to 1) maximize the Government's ability to obtain best value, based on the requirement and evaluation factors set forth in the solicitation, and 2) discuss deficiencies, significant weaknesses and adverse past performance information to which the offeror has not yet had an opportunity to respond. However, the CO is not required to discuss every area where the proposal could be improved. If, after discussions have begun, an offeror originally in the competitive range, is no longer considered to be among the most highly rated offerors being considered for award, that offeror may be eliminated from the competitive range whether or not all material aspects of the proposal have been discussed, or whether or not the offeror has been afforded an opportunity to submit a proposal revision.

As a result of negotiations, a Final Proposal Revision (FPR) may be requested from all offerors still in the competitive range. A common cut-off date for submission of FPRs will be established by the CO. Responses to requests for FPRs will be reviewed and evaluated by the respective evaluation teams.

M.10 BASIS FOR AWARD

The Government will award multiple contracts under this solicitation to those responsible firms (within the meaning of FAR 9.103) meeting the Special Standards-Mandatory Requirements, proposing ship management approaches responsive to the solicitation and offering the Best Value to the Government for the ship group(s) proposed. Contracts will be awarded by ship group(s). Ship Groups in TE-4 may be awarded in any order. Award of ship type will not be limited to a specific ISM DOC held by an offeror.

M.10.1 Targeted Groups. As part of the selection process, MARAD will make a determination regarding the number of ships for which an offeror will be considered. This determination will be based on the relative technical/management and past performance ranking of the proposal and the Government's desire to distribute ships among a reasonably large number of ship managers. MARAD will determine the number of ships an offeror may receive based on the offeror's combined technical/management and past performance scores. On the basis of the combined score, each offeror will be ranked in comparison to all other offerors. MARAD will graphically compare the offerors' rankings and look for natural breaks in the scores. Depending on the scores, there may be several groupings of offerors. The top group will be targeted to receive the most ships, and the subsequent groups will be targeted to receive fewer ships. The exact score needed for each group and number of ships considered for each group cannot be predetermined as the number of offerors in each group and the range of scores will affect the determination.

M.10.2 Best Value. Awards will be made on a "best value" basis as specified below and will reflect the best overall value to the Government for the RRF program in its entirety. Consistent with the fact that technical/management and past performance factors combined are significantly more important than price, the best value selection process will begin with the highest scored/ranked offeror and work downward. Selection and award will be made on a best value basis, considering technical/management, past performance and price factors; the best mix of vessels and vessel types the Government deems appropriate for each offeror's expertise; the needs of the Government; the number of ships an offeror's group is targeted to receive based on Section M.10.1, above; and Section M.7, Limitation of Award.

MARAD reserves the right to award to a lower ranked offeror where the prices of the higher ranked offeror are so high as to no longer constitute best value to the agency. Conversely, MARAD reserves the right to award to the higher ranked offeror at a higher price to acquire technical superiority. MARAD will use the Price/Technical Value Ratio (PTVR) to verify best value tradeoffs. The PTVR is computed by dividing the offeror's combined (technical and past performance) score by the total notional price per ship group. The goal is to ascertain the price per technical point and validate best value considerations and trade-offs.

M.10.2.1 The preliminary selections will be made considering all offerors in the competitive range, regardless of whether they are large or small businesses. The preliminary selection will be examined to ascertain if the agency has met the reserve commitment of no less than 15% to small businesses. If the preliminary selection falls short of the reserve commitment, the Source Selection Board will re-examine the selections and consider all of the factors specified in Section M.10.2 and, in addition, will consider whether an offeror is a small business concern to ensure that the small business reserve is met.

M.11 SUBCONTRACTING PLAN EVALUATION

Subcontracting plans are required for large businesses and will be reviewed for acceptability in the types and amounts of subcontracts contemplated to small and small disadvantaged business concerns. Otherwise, successful offerors must have acceptable Small and Small Disadvantaged Business Subcontracting Plan to receive award of this contract. Small businesses are exempt from this requirement.

[END OF SECTION M]