



PEO STRI

U.S. Army Program Executive Office For Simulation, Training and Instrumentation (PEO STRI)



PEO STRI Omnibus Contract II (STOC II)

USER'S GUIDE

February 2013

REVISION 2

(Supersedes all others prior to this date)

Prepared For:

U.S. Army

**Program Executive Office for
Simulation, Training and Instrumentation
12350 Research Parkway
Orlando, Florida 32826-3275**

Table of Contents

Purpose of the Guide	1
STOC II Benefits.....	1
STOC II Commitments	2
STOC II Customers	2
Contract Ombudsman	2
Procuring Contracting Officers.....	3
STOC II Lots	3
Facts about the Contract	3
Communication & Information Flow with Industry.....	4
PEO STRI Business Opportunities Portal (STRI BOP)	5
Source Selection Process Overview	5
The “TEAM”	7
Market Research	9
Acquisition Plans and Strategies	10
Statements of Work/Statements of Objectives/Performance based Work Statements.....	11
Lot Selection	11
Small Business Considerations	12
Past Performance	12
Competition Decisions	13
Contract Types	13
Source Selection Evaluation Methodology	14
Factors and Evaluation Criteria.....	14
Procurement Documents	15
Source Selection Plans	16
Multiphase Approach	16
Request for Proposals	18
Proposal Evaluations and Award.....	18
Post Award.....	20

Purpose of the Guide

The purpose of the U.S. Army Program Executive Office for Simulation, Training and Instrumentation (PEO STRI) Omnibus Contract II (STOC II) User's Guide is to provide key information to the members of the Acquisition Team on streamlined acquisition processes using Federal Acquisition Regulation ([FAR Part 16](#)) multiple award ordering procedures. The goal is to establish an acquisition strategy that benefits the customer, promotes sound business practices within PEO STRI, and establishes cohesiveness with industry. This guide *does not* waive any provision of law or regulation and is only a source of information for procurements under STOC II.

“The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public’s trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.”

[FAR 1.102\(a\)](#)

STOC II Benefits

The PEO has designed STOC II to meet our need for a streamlined, quick response contractual vehicle for the acquisition of state-of-the-art technology and services to address simulation, training, and instrumentation requirements. These multiple award, Indefinite Delivery/Indefinite Quantity Contracts (ID/IQC) provide PEO STRI with a flexible acquisition tool that establishes ready access to an industrial base comprised of multiple contractors, talents, and capabilities, driven by a competitive environment.

The intent of these contracts is to promote efficiency in providing products and services to the PEO STRI Project Managers (PM) and their customers by eliminating redundant administrative requirements and reducing the lead-time required to award delivery or task orders. This method ensures the delivery of high quality products at fair and reasonable prices through the continuous application of competition and best value principles throughout the contract term. STOC II also seeks to adhere to the Government’s socio-economic goal to promote the use of small business.

PEO STRI encourages its Acquisition Team members to use STOC II as a tool for innovation to drive efficiency and sound business judgment:

“If a policy or procedure, or a particular strategy or practice, is in the best interest of the Government and is not specifically addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, Government members of the Team should not assume it is prohibited. Rather, absence of direction should be interpreted as permitting the Team to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority. Contracting officers should take the lead in encouraging business process innovations and ensuring that business decisions are sound.”

[FAR 1.102-4\(e\)](#)

STOC II Commitments

- *To promote, in the acquisition environment, personal initiative and sound business judgment in providing the best product or service to the customer.*
- *To comply with the principles of the Competition in Contracting Act (CICA).*
- *To involve small business participation to the maximum extent possible.*
- *To excel in achieving our socio-economic goals.*
- *To establish an open dialog with our Industry partners early in the acquisition process.*
- *To emphasize a streamlined approach to source selection under FAR Part 16, that provides a fair opportunity for award to all Multiple Award Contract holders.*

STOC II Customers

The customer is not only the end user, but also an important Acquisition Team member. The STOC II [Statement of Work](#) (SOW) describes efforts that are applicable to all U.S. Government entities (Federal, State and Local), selected non-Government entities, and foreign government customers. In support of Section 803 of Public Law 108-136, PEO STRI may support acquisition requirements involving homeland defense projects, equipment, and/or services described within the SOW, upon the Department of Defense's (DoD) issuance of implementing regulations.

Contract Ombudsman

The ombudsman is a senior member of PEO STRI and independent of the Contracting Officer. The ombudsman is responsible for reviewing complaints from contractors to ensure PEO STRI affords all a fair opportunity to be considered, consistent with the procedures in the contracts. The Ombudsman for STOC II is:

Traci Jones
U.S. Army PEO STRI
12350 Research Parkway
Orlando, FL 32826-3275
(407) 384-3770
traci.a.jones@us.army.mil

Procuring Contracting Officers

The STOC II Procuring Contracting Officer (PCO) administers the basic STOC II contracts. Multiple PCOs accomplish the award, issuance, and administration of delivery or task orders under the basic contracts within the PEO STRI Acquisition Center, as long as the product or service is within the scope of STOC II.

STOC II Lots

The STOC II contract divides contractors into two Lots based on business size. The contract designates Lot I as “Full and Open” and contains both small and large businesses. Lot II is the Small Business Set-Aside Lot and only includes small businesses. Updates to small business status may occur over the life of the STOC II contract. PEO STRI may issue small businesses that outgrow the small business size standard a separate contract under Lot I at its discretion. PEO STRI reserves the right to “set aside” requirements within Lot II for specific groups IAW with FAR Part 19 as Market Research and other factors dictate.

Facts about the Contract

Type of Contract

Similar to STOC I, STOC II is a multiple-award ID/IQC structured to allow PEO STRI to acquire the full spectrum of Simulation, Training, Modeling, Test, and Instrumentation products and services to support Warfighter needs throughout the Army and the DoD. PEO STRI will primarily use STOC II contracts for product type acquisitions although, when appropriate, it can acquire services within the scope of the SOW. The North American Industry Classification System (NAICS) code for the STOC II contracts is 333319.

Multiple Order Types

Delivery/task orders derived from the basic STOC II contracts may be any one or multiples of the following award types:

- Firm-Fixed Price (FFP)
- Cost-Plus-Fixed-Fee (CPFF)
- Cost-Plus-Award-Fee (CPAF)
- Time and Materials (T&M)

Individual delivery or task order may specify other contract types but must incorporate all applicable clauses into the delivery or task order.

For T&M delivery orders, Contracting Officers are required (prior to award) to prepare a Determination and Findings (D&F) that contains sufficient facts and rationale indicating that no other contract type is suitable whenever the whole requirement or a portion of the requirement will be performed on a T&M or Labor Hour (LH) basis. See [Policy Notice 13-09: Class Deviation 2012-O0016 - Approval Threshold for Time-and-Materials \(T&M\) and Labor-Hour \(LH\) Contracts and Preference for Cost-Plus-Fixed-Fee \(CPFF\) Term Contracts](#) for additional information and thresholds.

Statement of Work

The [SOW](#) in the STOC II basic contracts contains a broad spectrum of work the Government may task industry to perform. STOC II will provide PEO STRI with the ability to procure a broad range of Modeling & Simulation (M&S) and Instrumentation solutions in support of customer training and testing requirements. These solutions will include procurement and/or services support of training and testing simulators, simulations, systems/devices, instrumentation systems, telecommunications systems, experimentation, targets, gaming, advanced simulation concepts, open architecture, common parts and component solutions.

As the basic contract SOW is broad, each delivery and task order will specifically define the work the contractor will perform in satisfying individual requirements.

Period of Performance

Each STOC II contract includes a base ordering period and three option ordering periods, with a total potential ordering period of 10 years. The period of performance/ordering period for both Lots of this contract shall be as follows:

Base Period:	Contract Award through 30 September 2011
Option 1:	1 October 2011 through 30 September 2013
Option 2:	1 October 2013 through 30 September 2016
Option 3:	1 October 2016 through 30 September 2018

The maximum period of performance for any delivery or task order is five years from the date of delivery or task order award. In essence, the Government may issue an order on the last day of the ordering period of the contract and have a period of performance extending up to five years. The total aggregate ceiling for both lots is \$17.5B.

Communication and Information Flow with Industry

“The Government must not hesitate to communicate with the commercial sector as early as possible in the acquisition cycle to help the Government determine the capabilities available in the commercial marketplace. The Government will maximize its use of commercial products and services in meeting Government requirements.”

[FAR Part 1.102-2\(4\)](#)

As stated in PEO STRI's commitment, the Government encourages industry involvement early in the acquisition process. In order to do so, both industry and Government must collectively embrace an acquisition culture that values communication interchange early in the acquisition strategy development process. [The Head of the Contracting Activity \(HCA\) philosophy memo of 26 March 2007](#) titled "Source Selection Process" details the expectation for all of PEO STRI Acquisition Team members in their interactions with industry. Refer to Acquisition Instruction (AI) 016-Communication with Industry for further information.

Building on the original STOC I concept, PEO STRI will continue to involve STOC II contractors in the early stages of the acquisition process. Involvement shall include the use of various electronic information systems, industry conferences, one-on-one sessions, and/or open dialog between the Government and STOC II contractors.

PEO STRI Business Opportunities Portal (STRI BOP)

The STRI BOP is an electronic information system PEO STRI developed to make new opportunities available to STOC II contractors early and to encourage electronic information exchanges with the Government. Users can access the STRI BOP two different ways:

1. URL: <https://bop.peostri.army.mil/sites/bop/default.aspx>
2. PEO STRI Homepage, "Business Opportunities" link, located in the center of the page below the PEO STRI banner of the PEO STRI Homepage (<http://www.peostri.army.mil>).

Source Selection Process Overview

The Source Selection Process for selecting a contractor for award generally occurs in the following steps:

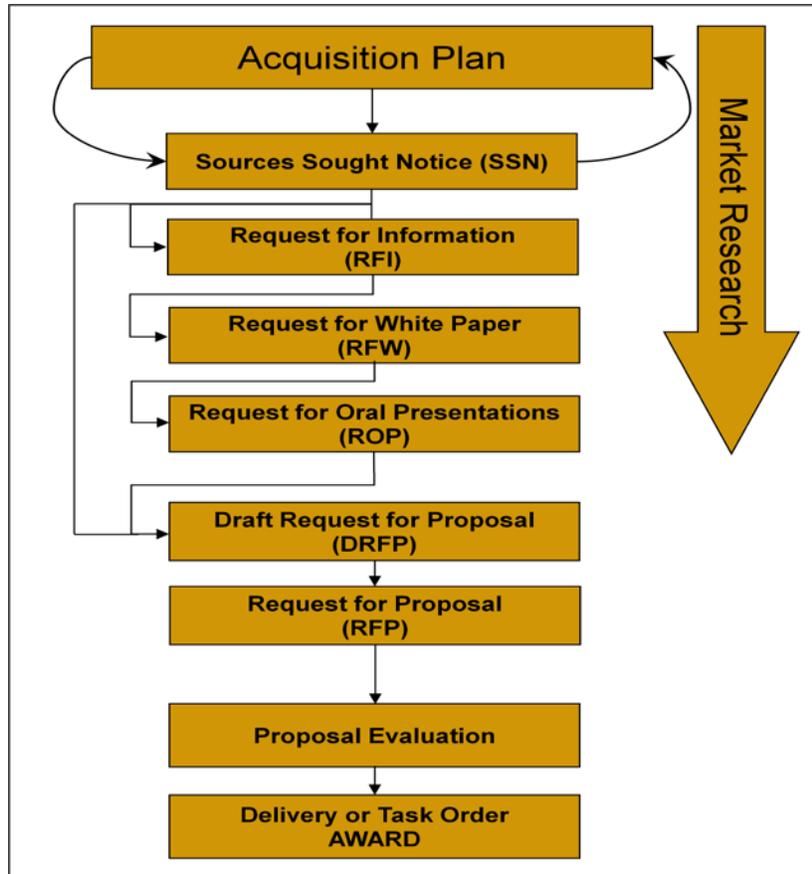
1. PEO STRI conducts Market Research on an ongoing basis and applies this to the development of Acquisition Plans and Strategies. Acquisition Plans or Strategies are mandatory for Research and Development (R&D) efforts greater than \$10M, and acquisition of products and services valued at \$50M or more or greater than \$25M in a single year.
2. Posting of a Source Sought Notice (SSN) to STRI-BOP and email notification of posting to STOC II contractors.
3. Posting a Request For Information (RFI), Request for White Paper (RFP), or Request for Oral Presentation (ROP) to all STOC II contractors within the selected Lot (I or II).
4. Posting of a Draft Request for Proposal (RFP), when appropriate.
5. Development and issuance of a RFP that includes a Letter RFP, Proposal Submission Instructions and Evaluation Criteria, special contract terms (if any), etc.
6. Evaluation of contractor proposals and selection of a Prime Contractor.

Market Research is the process used to determine if industry can support the acquisition “needs” of the Government. It is a continuous process for gathering, analyzing, and documenting information about products and services that are available in the marketplace, and therefore is not included as a separate phase in the diagram below, see [AI 002A](#) for additional information. While this guide states many of the actions in a sequential manner, the Project Directors (PDs) and their Integrated Product Teams (IPTs) could and should exercise broad discretion and initiative to accomplish as many tasks as logically possible in a concurrent manner. As stated in this guide, the PD/IPT must complete certain actions before moving to the next phase or action. Many of the actions are “living,” in that the PD/IPT will continue to refine them over the cycle of the Award Process and, again, the guide shall so state when this is applicable.

When employing this guide, PEO STRI Acquisition Team members will employ a FAR Part 16 streamlined approach for making contract awards. As shown in the STOC II Award Process Diagram below, the general process begins with the development of an Acquisition Plan or Strategy. Next, the PCO will issue a SSN to all STOC II contractors via STRI BOP and send an email to the same list using the PEO STRI Global Address List (GAL), to ensure they have a fair opportunity to compete.

After the PCO receives industry responses and documents the market research, s/he will make a lot decision in coordination with the PD/IPT and post the list of interested contractors to the STRI-BOP. After the PCO makes a STOC II lot decision, s/he may issue STOC II contractors within the chosen Lot a RFI, RFW, ROP, or RFP, or any combination thereof, depending on the acquisition approach. For whatever initial step the PCO elects, all contractors in the selected lot will have a fair opportunity to be considered within that first step.

STOC II Source Selection Process Diagram



Using FAR 15.202 Advisory Multi-Step Process under STOC II:

In a streamlined approach, the PCO can elect to issue an RFP to those contractors who are evaluated favorably based on evaluation criteria in a RFI.

For example, from the SSN, the PCO receives eight positive responses from interested contractors. Using this information in their market research, the PCO makes a Lot Determination. The PCO will then post the list of the interested contractors to the STRI BOP for teaming/subcontracting opportunities. The PCO would then issue an RFI to the chosen Lot to determine which contractors within that lot are most likely to submit the highest value solution to the Government. The RFI would contain evaluation factors and, at the PCO’s discretion, a Rough Order of Magnitude (ROM) pricing. After evaluating the responses to the RFI, offerors will be advised who will receive an RFP. After evaluating proposals, the PCO makes the contract award to the offeror with the best value proposal.

The “TEAM”

At PEO STRI, the IPT is another name given to the Acquisition Team. The IPT is a group of individuals with different responsibilities, areas of expertise, and chains of commands, whose collective efforts are required for the specific purpose of delivering a product or service for the customer. It is a highly effective and efficient means of focusing resources on a task to achieve a

solution best serving the interests of all key stakeholders. The synergy an IPT achieves provides a Team output greater than the sum of all the members’ inputs.

Upon assignment as the lead for developing a requirement into an award, the PD should form an initial Acquisition Team to begin the Market Research effort. The PD must exercise judgment in “sizing” the team. The inclusion of more members will allow the PD to gather differing views and minimize risk in the evolution of the requirement. However, having more members could possibly add additional expense to the project and increase difficulty in reaching consensus. The PD is responsible for ensuring the team is continually “right sized” throughout the process to achieve “acceptable” (not “zero”) risk while minimizing expense to the customer and time delays driven by an overly large and cumbersome team.

The IPT usually consists of IPT Members and Advisors. Shown below are required members and potential advisors, as applicable:

IPT Members (Required)	IPT Advisors
PCO	STOC II PCO
Contract Specialist	Cost/Price Analyst
PD	Financial Manager
Engineer(s)	Security
Logistician(s)	Safety
Legal	Defense Contract Management Agency (DCMA)
Small Business Adviser	Customer representative/Subject Matter Expert (SME)
	Customer Support Group (CSG) STOC II administrative support
	Customer Advocate
	SME/Contractor/Systems Engineering and Technical Assistance (SETA) support
	Others as necessary

Once the PD establishes the initial IPT, the team begins the Market Research necessary to develop the Acquisition Plan (and/or Strategy), if required.

Things to Consider:

- Establish a clear purpose and goal for the IPT.
- Identify the roles of each member and their expected duration on the team.
- Remember IPT Members will usually be with the project from beginning through award; IPT Advisors usually will not.
- Assign qualified team members with complementary experience.
- Support and act on team decisions.

- Consider establishing a Team Charter with a flexible format that clearly describes the mission, goal, project timeline, team members and their authority and accountability, resources controlled, and team deliverables.
- Involve the Office of Small Business Programs early. Their participation is essential in the evolution of the acquisition and has a critical role in the flow of the Award Process.
- Involve Legal counsel early and often during the procurement process. In addition to reducing cycle time, early Legal counsel will be able to assist in creatively seeking and developing legal courses of action to accomplish the mission.

Market Research

Market Research is *critical* to developing a successful Acquisition Plan/Strategy. Understanding industry capabilities, capacities and financial ability combined with an in-depth knowledge of the necessary product and/or services will greatly reduce program risk and delay. Market Research also determines if commercial items are available, if industry can modify commercial items to meet the requirement, or if the items are for exclusive Governmental use.

The Acquisition Team/IPT should initiate Market Research as soon as possible after the designation of a requirement as a STOC II candidate. Once the Government has an adequate description of its needs, the team must use Market Research to develop the most suitable approach for acquiring, distributing, and supporting supplies and services, or in other words, to develop the acquisition plan or strategy. Market Research is also iterative in nature. As additional market data becomes available, the team must further refine the requirement and incorporate it into their acquisition plan as appropriate. *Market Research is ongoing throughout the acquisition process.* The extent of Market Research varies depending on urgency, estimated dollar value, complexity of the requirement, scope, commercial availability, and experience.

Things to consider:

- Know where you are going before you start down any path. Review the requirements of the upcoming acquisition so you will have an idea of the types of questions your Market Research must answer. Use these “markers” to establish the initial goals of your Market Research.
- Remember STOC II is the contract vehicle of choice for product acquisition. For procurements over \$50M, establishment of a contract vehicle outside of STOC II and any existing ID/IQs require concurrence of Senior Contracting Leadership, see [AI012](#) for additional instructions.
- Shop around in the commercial market place for products or services that meet your needs; determine if the items are commercially available.
- Make visits to contractors’ facilities if possible.
- Determine if new technologies are available.
- Determine if there are any small businesses, to include those that have a unique socioeconomic status, capable of providing the supply or service.

- Remember Market Research is ongoing throughout the solicitation process. Even during proposal evaluation, your continuing research may discover disqualifying information regarding an offeror under consideration (e.g., an Organizational Conflict of Interest (OCI)).
- Remember the “Rule of Two” when conducting your research. If two or more small businesses respond favorably from Lot II, that have the capability and capacity to successfully meet the requirement, the PCO must set the requirement aside for small business. Your research should enable you to make a solid risk assessment of a small business’ claim of capability and capacity in order to assist the PCO in making an informed lot decision.

In general, the more you understand the commercial market place, the more likely your acquisition will be successful. PD/IPTs can find further information in Market Research Instruction ([AI 002](#)) located on the PEO STRI Internal Web page and the [Market Research Guide](#) located on the internal Acquisition and Contracts Instructions, Guidance and Templates SharePoint site.

Acquisition Plans and Strategies

Develop a written Acquisition Plan/Strategy per PEO STRI Acquisition Instruction [AI 004](#), Acquisition Planning and Service Acquisition Strategy, as required. If you are procuring predominately products with a value greater than \$50M (or greater than \$25M in a single year) or an R&D effort greater than \$10M, the FAR requires a formal, written acquisition plan. Otherwise, it is not required. If you are procuring predominately services greater than \$150K, the FAR requires a written Service Acquisition Strategy (SAS). Additionally, you must complete an Army Service Strategy Panel (ASSP) brief if the service is valued at greater than \$250M.

Once the PD and Contract Specialist have completed a draft Acquisition Plan/Strategy, they shall convene a STOC II Procurement Planning Conference (PPC) per [AI 012](#), Source Selection Process, with the entire IPT to formally initiate the procurement and obtain consensus on the proposed Acquisition Plan (and/or Strategy, if applicable).

Because of their initial Market Research, assessment of the requirement documents and discussions with the customer, the IPT shall develop and document an Acquisition Plan or Strategy as required. The team’s primary goal in developing this plan is to establish a “roadmap” for exercising personal initiative and sound business judgment in providing the best value product or service to the customer in a timely manner throughout a program’s useful life cycle. In addition, the **team shall comply with DoD directives and instructions 5000 series (Acquisition Category [ACAT] Programs)** as they go through the planning process. These directives and instructions are at www.dtic.mil/whs/directives.

Things to Consider:

- Conduct industry conferences.
- Use FAR Part 16 in the contracting strategy to emphasize a streamlined approach that provides for fair opportunity to all STOC II contractors in either Lot I or Lot II.

Statements of Work/Statements of Objectives Performance Based Work Statements

The IPT must provide a written requirements document in the form of a SOW, a Statement of Objectives (SOO), or a Performance-based Work Statement (PWS) as part of their acquisition. The preferred DoD approach is to provide performance-based specifications (the “what”) and give STOC II contractors the maximum flexibility to determine “how” to accomplish the requirement.

Things to consider:

- The IPT, to the maximum extent possible, should release draft documents (RFP, SOW, etc.) to industry for comment prior to final solicitation release.
- The IPT should engage in meaningful one-on-one conversations with STOC II contractors in the evolution of the requirement documents during the market research phase. The IPT must take care to provide all STOC II contractors with a fair opportunity.
- The IPT need not provide all interested contractors selected for further consideration with the substance of conversations, discussions or Question and Answer (Q&A) exchanges with individual contractors during the Market Research phase.
- The IPT may conduct small group sessions with STOC II contractors to “brainstorm,” identify, and suggest resolution of requirement issues.

Lot Selection

The PCO will use Market Research information provided by the IPT and SSN responses to make a STOC II Lot selection on full and open competition (Lot I) or small business set-aside (Lot II), in coordination with the Office of Small Business Program (OSBP). In no circumstance will the PCO compete an opportunity in both lots. The PCO must make a final Lot selection after issuing a SSN. The PD must substantiate and document the Lot decision in the Acquisition Plan/Strategy as appropriate.

Small Business Considerations

The STOC II Lot selection shall be made after posting the SSN and before any other actions occur. Coordinate the SSN with the Office of Small Business to ensure the appropriate information is requested from industry in order to make a small business determination. If in response to a SSN, as well as other market research, the PCO determines that two or more small business are capable and have the capacity to meet the requirement, s/he will set aside the requirement for small businesses in Lot II. Small businesses in Lot II are subject to the “Limitations on Subcontracting” clause FAR 52.219-14. If the requirement is not set aside in Lot II, small businesses holding an award in Lot I may compete in the full and open competition. Small businesses competing in Lot I are not subject to the FAR “Limitations on Subcontracting” clause. There is no small business set asides allowed in Lot I.

The Contract Specialist shall coordinate each requirement on a DD Form 2579 with the PEO STRI Small Business Advisor. The Market Research Report shall be included with the DD 2579. The PCO should ensure this is accomplished as soon as possible and in accordance with PEO STRI [AI 006](#), “Coordination of Action with Program Executive Office for Simulation, Training and Instrumentation (PEO STRI) Office of Small Business Programs (SBP) and Small Business Administration Procurement Center Representative (SBA PCR)” and [AI 002](#) Market Research.

STOC II contractors that fail to demonstrate a good-faith effort (willful or intentional failure to perform in accordance with requirements) to meet the overall Small Business Participation goal and individual Socio-economic subcontracting goals during the base ordering period and/or option ordering periods may have their past performance assessments affected on future delivery/task orders. This could result in the Government’s unilateral decision not to exercise the option ordering periods.

Past Performance

Past Performance will be documented at the individual delivery order for STOC II contracts. PCOs and PDs will be responsible for documenting past performance in the Contractor Performance Assessment Reporting System (CPARS) for all orders over the Simplified Acquisition Threshold (SAT). The contractor’s past performance either may favorably or adversely affect future opportunities to participate for delivery or task orders. If the STOC II PCO determines the contractor’s past performance on a delivery or task order under the contract is poor, based on quality, schedule, management oversight, and/or cost control, then the Government may elect to not exercise that contractor’s option until they fix their performance issues.

Army Federal Acquisition Regulation Supplement ([AFARS](#)) [5116.505-90\(d\)](#) explicitly prohibits requests for contractor submission of past performance information under task orders (i.e. services) with proposals. However, due to the unique nature of each of the requirements under STOC II, PEO STRI legal counsel has determined the PCO may request past performance information from contractors. The PCO may consider past performance information, including

quality, timeliness, and cost control on earlier orders placed under the same STOC II contract or other contracts outside of STOC II. Past Performance Information Retrieval System (PPIRS) is one method available to source selection teams to retrieve past performance information. On each RFP issued, the PCO shall advise contractors the Government may use past performance information from previous STOC II delivery or task orders, or external contracts.

Competition Decisions

Fair Opportunity: The PCO must provide “fair opportunity” for all STOC II contractors on actions in excess of \$3,000, unless one of the exceptions in [FAR 16.505\(b\)\(2\)](#) applies. The PCO must ensure the Market Research and Acquisition Plan/Strategy objectively and rationally determines the Lot for potential providers that best meet the needs of the customer requirement and DoD socio-economic goals. Once the PCO determines the Lot after the SSN, the PCO must provide fair opportunity to all contractors within the chosen Lot. The PCO, in coordination with the IPT, has broad discretion in identifying and applying processes to ensure the Government provides fair opportunity to all contractors. The PCO and IPT must apply these factors and methods equally and objectively to all potential contractors in the specified Lot (e.g., RFIs, RFWs, ROPs, RFPs or any other method).

Sole Source: The Government may award sole source orders under STOC II only if the PCO prepares and coordinates an Exception to Fair Opportunity (EFO) that an award should be made in accordance with one of the exceptions in FAR [16.505\(b\)\(2\)](#). When the PCO makes the determination to make an award on a sole source basis, s/he may want to consider employing “Alpha Contracting” techniques. The PCO shall post a Sources Sought Notices on STRI BOP detailing the reasons that require an EFO. Only after the Sources Sought Notice has been posted for a minimum of five business days, and all contractor comments are resolved, may the EFO be forwarded for approval.

Things to consider:

- Identify where the requirement fits within the acquisition cycle. If there is a possibility of follow-on work see [FAR 16.505\(b\)\(2\)\(iii\)](#).
- Determine if the requirement is of an urgent nature. If so, then a sole source (see [FAR 16.505\(b\)\(2\)\(i\)](#)) may be appropriate.
- Determine if there is only one capable source possessing a unique capability to satisfy the requirement. If so, then a sole source (see [FAR 16.505\(b\)\(2\)\(ii\)](#)) may be appropriate.
- Determine if it is necessary to place an order to satisfy a minimum guarantee.
- For orders exceeding the simplified acquisition threshold, determine if a statute expressly authorizes or requires that the purchase be made from a specified source.
- Contracting officers may, at their discretion, set aside orders for any of the small business concerns identified in [19.000\(a\)\(3\)](#). When setting aside orders for small business concerns, the specific small business program eligibility requirements identified in part 19 apply.

Contract Types

The PCO must determine the best contract type for the delivery or task order derived from the STOC II contracts to satisfy the objectives of the program and the identified requirements. If the IPT is contemplating a cost or T&M type contract, they must provide additional justification to the PCO. A determination to use a T&M order requires a D&F by the PCO. The Head of Contracting Activity (HCA) must approve a T&M type order if the base period plus any options exceeds three years, per [FAR 16.601\(d\)\(ii\)](#). Therefore, while this justification does not have to be lengthy, it should concisely explain the rationale for the recommendation. For example, uncertainty in the requirements that would not adequately allow the contractor to price the effort may require a cost or T&M type contract.

Things to consider:

- Identify the program risk.
- Identify any incentives (i.e. performance, cost, etc.) the Government can apply.
- Identify any contract deliverables that might affect contractor cost estimates.

Source Selection Evaluation Methodology

The development of a source selection evaluation methodology that best fits an acquisition is a critical element of the Acquisition Strategy process.

The Tradeoff Source Selection Process (see [FAR 15.101-1](#)) allows for a tradeoff between non-cost factors and cost/price and allows the Government to accept other than the lowest priced proposal or other than the highest technically rated proposal to achieve a best-value contract award.

Lowest Price Technically Acceptable (LPTA) Source Selection Process (see [FAR 15.101-2](#)) is appropriate when best value is expected to result from selection of a technically acceptable proposal with the lowest evaluated price. The PD/IPT should use this approach when the desired attributes of a product or service are quantifiable in an acceptable/not acceptable or “go/no go” technical solution.

Factors and Evaluation Criteria

Prior to developing the solicitation, all source selection team members, including evaluators, are required to complete Phase 1 Source Selection Pre-Solicitation Training by the Source Selection Advisory Team (SSAT). As a starting point in determining the most effective factors (i.e. Offeror Submission Instructions) and evaluation criteria, the PCO, PD and IPT should review the requirement to determine its objectives, the critical technical issues, areas of risk, appropriateness of cost controls, and cost/price. This review should result in the development of factors and evaluation criteria that will allow for meaningful discrimination between prospective contractors. Asking for information that will not help in discriminating between prospective contractors will only result in additional work, schedule delay, and hamper selection of the best value proposal. Phase 1 Source Selection Training will provide the basis for developing the

appropriate evaluation criteria. *A strong working knowledge of the requirement, acquisition objectives, perceived risks, and thorough Market Research is the key to developing successful factors and evaluation criteria.*

It is essential that each factor have a one-to-one relationship with a corresponding evaluation criterion. For each factor, there should only be subfactors or elements that will effectively discriminate between offerors. PEO STRI developed the STOC II Proposal Submissions Instructions in a simplified format to ensure factors and evaluation criteria maintain a direct relationship. Note also that each factor directly relates to a SOW/SOO/PWS paragraph. All technical factors should directly relate to a work statement paragraph; however, the IPT need not account for all work statement paragraphs in the STOC II Proposal Submissions Instructions. STOC II guidelines generally only require Technical and Cost/Price factors. The IPT may employ other factors, such as those which represent the key areas of importance and emphasis to be considered in the source selection decision and support meaningful comparison and discrimination between and among competing proposals.

Since the STOC II source selection process evaluated management, the IPT should only evaluate management factors if it is necessary to gain a unique insight specific to the requirement. The IPT should strive to keep all of these additional factors to a minimum and tailor them as needed for each acquisition.

The initial development of the evaluation criteria should be a concerted effort by the membership of the Project IPT and provide focal areas for the criteria the team will use in evolving the specifics of the evaluation criteria. The same IPT members that develop the evaluation criteria should also be on the proposal evaluation team.

Procurement Documents

The PD should direct the IPT in assembling the required documents needed for the procurement. The documents required for procurement will vary. Some of the documents required for a STOC II procurement are:

- Letter Request for Proposal – Request proposals with an attached Proposal Submission Instructions, SOW, Section B, and other appropriate documents.
- Proposal Submission Instructions and Evaluation Criteria – Provides the Non-Cost (Technical) and Cost/Price factors along with evaluation criteria.
- Proposal Evaluation Form – Used by the evaluation team to document proposal evaluations.
- Proposal Evaluation Plan (PEP) – Identifies the goals of the acquisition, establishes the source selection team and rules of conduct, describes how to evaluate proposals, and how to select the successful offeror.
- Proposal Evaluation Report (PER) – Prepared by the Source Selection Evaluation Board Chair (SSEBC), to document the evaluated price and the ratings for each evaluation

factor/subfactor of each offeror, along with a discussion of associated strengths, weaknesses, deficiencies, and risk.

- Source Selection Decision Document (SSDD) – The Source Selection Authority’s (SSA’s) decision on the rationale for the selection of the successful offeror.

The above documents, along with other STOC II templates (e.g. SSN, RFI, etc), are posted on the Acquisition Center internal SharePoint site under the [Acquisition and Contract Instruction, Guidance and Templates](#). Tailor these documents as appropriate to the complexity, size, and needs of the acquisition.

Source Selection Plans

PEO STRI does not require a formal Source Selection Plan for STOC II orders. In fact, formal FAR Part 15 Source Selection Plans are strongly discouraged in almost all cases under STOC II. Nevertheless, the PCO must develop an effective PEP to identify the goals of the acquisition, establish the source selection team and rules of conduct, describe how to evaluate proposals, and how to select the winning offeror.

In addition to the PEP, the IPT should use the STOC II Proposal Submissions Instructions and Evaluation Criteria as the primary tool to develop evaluation factors and criteria. Note that Technical and Cost/Price factors are the two main factors STOC II requires. However, the PCO may add evaluation factors (e.g. management, past performance, etc.) as they deem necessary for a given procurement. The PCO will provide this to the STOC II contractors as an attachment to the STOC II Letter RFP. The Instructions and Evaluation Criteria are also an enclosure to the PEP.

Things to consider:

- Cost or price is always a factor in the evaluation.
- Evaluation factors, subfactors, and elements should always be an accurate balance and reflection of the programmatic goals and risks associated with a particular acquisition. They should not seek information in areas that will provide little value in discriminating between offerors.
- The desire to have information on a particular area should not result in the development of factors and evaluation criteria. Evaluation factors should only include information that is necessary to make an award decision.
- Remember; the Source Selection Evaluation Board (SSEB) must evaluate all information requested and received from contractors in the STOC II Proposal Submissions Instructions.
- If support contractors will be used to evaluate or analyze any aspect of a proposal, the Principal Assistant Responsible for Contracting (PARC) must sign a written D&F in accordance with [AFAR 5137.204](#). The PCO must note this intent in the PEP and the Proposal Submission Instructions and Evaluation Criteria.

Multiphase Approach

There are multiple processes for learning about STOC II contractor's abilities and for soliciting offers, and the PCO should consider the most efficient way to do so while providing a fair opportunity to compete to all offerors. The phases of the processes may include, but are not limited to, SSN, RFI, RWP, ROP, draft RFP and RFP. Some steps (such as an SSN and draft RFP) may run simultaneously with the Acquisition Plan and Strategy development.

The process will normally begin with the PCO approving the posting of a SSN to the PEO STRI-BOP public web page. Concurrently, the PCO will send an email to all STOC II contractors listed in the PEO STRI STOC II Lot 1 and STOC II Lot 2 GAL advising them of the posting of an opportunity to STRI BOP. This posting and email ensures all STOC II contractors receive a fair opportunity to compete for STOC II opportunities. The SSN should contain sufficiently detailed information so contractors can make informed business decisions on whether or not to pursue a new business opportunity. This may include a draft SOW, detailed project overviews, funding profiles, or any other data the PCO deems appropriate. To further Market Research, PCOs may request capability statements from contractors as part of the SSN, but these are only for informational purposes and not a basis for further contractor participation or evaluation.

The PCO will give STOC II contractors a reasonable period to respond (*minimum of five full business days*) and the contractors should direct all responses via email to the PCO/Contract Specialist. If requesting more than a three-page capability statement, consider allowing more than the minimum five business days for response time.

The PCO/PD/IPT will only use the contractor's response at this time to determine positive interest from a contractor in receiving a future RFI, RWP, ROP or RFP. Failure of a contractor to respond to the SSN is *not a basis for elimination from the competition*; use it only to determine the appropriate STOC II Lot. Post the list of interested STOC II contractors who responded to the SSN to the STRI BOP to enhance competition, teaming, and subcontracting opportunities.

If the PCO decides to continue with a competition because of the interest expressed by STOC II contractors in the SSN, the PCO may invite the all the contractors in the selected Lot to respond to an RFI, RWP, ROP or any combination thereof. Dependent upon the step(s) chosen, the PCO will direct posting of a RFI, RFW, or ROP to STRI BOP and the Contract Specialist will send an email to all contractors in the chosen Lot. The PCO may elect any of these approaches prior to issuing a RFP (the PCO may direct the posting of a draft RFP anytime after the SSN).

The PCO must ensure evaluation of all contractor information received by the closing date in response to RFIs, RWP, or ROP. However, FAR Part 16 does not require formal evaluation of factors or scoring of quotes; therefore, the PCO should strive to keep these evaluations as minimal, succinct and precise as possible. The PCO then selects for further consideration those STOC II contractors the PCO deems most likely to submit the highest value solutions. This further consideration could be moving from RFI to RWP, or directly to RFP or any other combination the PCO feels is necessary. Advise the STOC II contractors of selection or non-selection for the next phase of the procurement via email immediately after making the evaluation decision. In accordance with FAR 15.202, the PCO may provide some minimal information indicating why the offeror was not selected to proceed to the next stage consistent with available resources.

If in the judgment of the PCO, the use of RFI, RFW, or ROP provides new information that results in a material modification to the scope of the intended work effort, the PCO must cancel the contract action under consideration and issue a new SSN. Subsequently, the PCO must use a new RFI, RWP, ROP, or RFP, as applicable, for the new scope.

The PCO and the IPT must exercise sound business judgment, based upon Market Research and their assessment of associated risk, as to which process will be the most efficient. The fundamental intent of using these steps is to provide fair opportunity to compete by each of the contractors. If the PCO uses this method to identify the selection of contractors for further consideration, the PCO must make note of this approach clearly and unambiguously in the SSN.

Request for Proposals

The PCO will issue RFPs using the STOC II Letter RFP format. Attachments to the RFP will include the STOC II Proposal Submissions Instructions and Evaluation Criteria, the relevant SOW/SOO/PWS, and any other document the PCO deems necessary (i.e. DD Form 1155, Section B, Contract Data Requirements List (CDRLs), drawings, etc). Solicitation Sections C through M are not generally required for the RFP.

The PCO will, to the maximum extent possible, provide STOC II contractors a draft RFP, SOW/SOO/PWS and a Proposal Submissions Instructions and Evaluation Criteria as soon as practicable, and invite each to provide comments on the draft documents. The team/PCO may provide the draft RFP, et al, to any group of primes selected for further consideration at any time. However, as the team/PCO refines their list of primes, those no longer under consideration may not receive subsequent documents. As workflow adjusts to the STOC II Award Process, PEO STRI expects the lead-time from draft to final will narrow. The Government should allow STOC II contractors sufficient time to make proposal submission decisions, consider technical approaches, assemble competitive teams, and make informed business decisions.

To the maximum extent possible, PCOs should limit the insertion of clauses or terms into the RFP. In those unique and rare cases where a PCO may feel the need to insert a clause, the PCO should first coordinate with the STOC II PCO to determine if adding the clause to the basic contracts is necessary. PCOs may make recommendations to include additional clauses to STOC II, at any time. If the STOC II PCO determines additional clauses are necessary, it will be included as part of the annual update. Until such time, the clause(s) should be added at the TO/DO level. In the future, an advanced notification will be provided to the PCOs advising them of the annual update.

PCOs may not write new delivery or task orders as stand-alone single awards or multiple award IDIQs. If this is necessary, approval from Senior Contracting Leadership for a new contract vehicle outside of STOC II is required.

Proposal Evaluations and Award

Just prior to receipt of proposals, the entire evaluation team is required to complete Phase 2 Source Selection Evaluation training conducted by the SSAT. Upon receipt of the proposals to the RFP, the designated SSEB will conduct an evaluation of each proposal. The SSEB will complete separate evaluations for each factor and subfactor they evaluate (i.e. technical, cost, etc.). Once the team completes evaluations, the SSEBC will prepare a PER. This report will include, for each proposal, the evaluated price and ratings for each evaluation factor/subfactor, along with a discussion of the associated strengths, weaknesses, deficiencies, and risk. It will also include a matrix that summarizes all proposals received for ease of comparison by the SSA. It does not recommend any contractor for award.

If award cannot be made based on initial offers, then the PCO must set a competitive range and conduct discussions. The competitive range will be set based on the ratings of each proposal against all evaluation criteria and is composed of all of the most highly rated proposals. A competitive range of one is allowed if all other offerors have no reasonable chance of award. Additionally, the PCO may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals. Competitive range determinations are documented in the Prenegotiation Objective Memorandum (POM) and approved by the SSA.

When conducting discussions under STOC II procurements, PCOs are encouraged to provide written strengths in addition to weaknesses and deficiencies to offerors. Revisions to offerors' proposals after discussions should be done with change pages to the original proposals to aid in evaluations. Revised proposals from all offerors in the competitive range should be received at the same specified time.

Once the Chairperson completes the PER, s/he will send it to the SSA for an award decision. The SSA will document the rationale for the decision using the SSDD. The PCO shall document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision. This documentation need not quantify the tradeoffs that led to the decision. If the selection official is someone other than the PCO, then that person will forward the SSDD to the PCO for award. The SSA may not delegate his or her duties.

AI 012, Source Selection Process, provides policy and procedures for the identification of SSAs. The selection official will normally be a PCO in the Acquisition Center, unless otherwise designated by the PARC or the HCA. If the procurement exceeds \$50M, the selection official will be the contracting officer at the division chief level. For reasons of mission importance or political visibility, the Associate Director for Contracting Operations (ADCO) or PARC may serve as the SSA for acquisitions of any potential contract value. For acquisitions at any potential contract value deemed appropriate for someone other than a PCO to act as SSA, the HCA, with recommendation of the PARC, will designate the alternate individual. For services acquisitions with a potential contract value of \$500M or identified by the Assistant Secretary of the Army (Acquisition, Logistics and Technology) as a special interest, will have a Senior Executive Service (SES) or General Officer Level SSA designated by the Deputy Assistant Secretary of the Army (Policy) .

Post Award

[FAR Part 16.505\(b\)\(4\)](#) specifically requires that, within 3 days after the date of the award, the PCO provide written notification to each offeror not selected in accordance with [FAR Part 15.503\(b\)\(1\)](#) and [15.506](#).

The PCO may assign all or some of the administration of delivery and task orders to DCMA. The Government and industry must accomplish contractor payments on all orders through Wide Area Work Flow (WAWF). PEO STRI requires CPARS input for each delivery order that meets CPARS reporting requirements. The PCO and Contract Specialist will manage delivery and task orders in the Standard Procurement System (SPS) as usual.

