

opportunity to participate further in the procurement.

(2) Discussions/Final Proposal Revisions. The Contracting Officer will engage in discussions with all offerors in the competitive range in accordance with FAR 15.306. At the conclusion of discussions, a final common cut-off date for submission of final proposal revisions will be established. Those offerors remaining in the competitive range will be notified to submit Final Proposal Revisions.

(3) Final Evaluation of Offers. A final proposal evaluation will be performed after receipt of Final Proposal Revisions.

(End of clause)

[75 FR 10570, Mar. 8, 2010; 75 FR 14496, Mar. 26, 2010]

1352.215-75 Evaluation criteria.

As prescribed in 48 CFR 1315.204-570(b)(2) and (3), insert the following provision:

EVALUATION CRITERIA (APR 2010)

[This section is to be tailored to conform to individual procurements. Text is provided as an example only.]

In determining which proposal provides the best value to the Government, non-price (technical) evaluation factors are [significantly more important/somewhat more important/approximately equal in importance/somewhat less important/significantly less important] than evaluated price.

[Insert relative importance among the technical evaluation factors.]

Based upon the results of the integrated assessment of the technical and cost/price proposals, the Government may make an award to other than the lowest-priced offeror or the offeror with the highest technical score if the source selection official determines that to do so would result in the best value to the Government.

(a) Technical Evaluation Factors.

Factor 1—TECHNICAL APPROACH. The proposal will be evaluated on how the offeror intends to organize, staff and manage the contract and the means that will be used to accomplish the contract requirements. The degree to which the proposal demonstrates an understanding of the requirements will be evaluated, as well as the offeror's planned management of consultants and subcontractors, if applicable.

Factor 2—EXPERIENCE. The offeror's background, experience, and qualifications will be assessed to determine the likelihood that that offeror can successfully perform the contract requirements and the degree of the risk of non-performance.

Factor 3—KEY PERSONNEL. The education, experience, and accomplishments of key personnel will be evaluated to determine

the degree to which they possess the qualifications to perform their proposed duties under the contract.

Factor 4—PAST PERFORMANCE. The offeror's past performance on related contracts will be evaluated to determine, as appropriate, successful performance of contract requirements, quality and timeliness of delivery of goods and services, effective management of subcontractors, cost management, level of communication between the contracting parties, proactive management and customer satisfaction.

The Government reserves the right to assess the past performance of proposed subcontractors.

The Government will use its discretion to determine the sources of past performance information used in the evaluation, and the information may be obtained from references provided by the offeror, the agency's knowledge of contractor performance, other government agencies or commercial entities, or past performance databases.

If an offeror does not have a history of relevant contract experience, or if past performance information is not available, the offeror will receive a neutral past performance rating; however, an offeror without a history of relevant experience may receive a lowered rating for the experience evaluation factor.

(b) Cost/Price Evaluation.

(1) The proposed prices/costs will be evaluated but not scored. The cost evaluation will determine whether the proposed costs are realistic, complete, and reasonable in relation to the solicitation requirements. Proposed costs must be entirely compatible with the technical proposal.

(2) The Government may use the results of cost/price realism analysis to adjust the offeror's proposal to a most probable cost to the Government. The analysis may include information from a government auditing agency, Government technical personnel, and other sources.

(End of clause)

[75 FR 10570, Mar. 8, 2010; 75 FR 14496, Mar. 26, 2010]

1352.215-76 Cost or pricing data.

As prescribed in 48 CFR 1315.204-570(b)(4), insert the following provision:

COST OR PRICING DATA

Additional Instructions for Preparation of Cost/Price Proposals

(a) *General.* In addition to the information required by CAR 1352.215-70, the cost/price proposal must contain an explanation of the offeror's and proposed subcontractors' fully burdened rates, including direct salary rates,

overhead rates, and profit; and information regarding other direct costs.

(b) *Specific Requirements.* (1) Direct Salary Rates: The offeror shall list the categories of professional or technical personnel required to perform the Statement of Work. A brief definition of the education and experience requirements which qualify an employee for inclusion in a listed category should be provided. Further, if some proposed labor categories are classified by multiple grades within a given discipline (*e.g.*, Architect I and II, or Senior and Junior Engineer), a brief explanation as to how they are differentiated shall be provided.

(2) The offeror, and major subcontractors, should provide individual rates for key personnel. Designation of an individual as a key person is subject to agreement of the parties. Where no key personnel are listed, category average rates are appropriate. Rates should be provided by year for the life of the contract. If rates are escalated, the degree (percent) and methodology must be shown. Escalation increases should reflect recent experience or established personnel policy. Types of salary increases given—merit, cost of living, *etc.*—should be discussed.

(3) Overhead Costs. Generally, the offeror's accounting system and estimating practices will determine the method used to allocate overhead costs. The offeror's established practices, if in accordance with generally accepted accounting principles, will be accepted. Proposed overhead rates should represent the offeror's best estimate of the rates to be experienced during the contract period as projected by company budgets or by recent experience adjusted for factors which will influence trends. A narrative statement outlining the offeror's policies and practices for accumulating overhead costs and the method used to compute the proposed rate or rates is required. In the case of multi-branch firms, joint ventures or affiliates, it is expected that overhead costs applicable to the specific location(s) where work is to be performed will be proposed. Company-wide, joint venture, or affiliate rate averages may not be appropriate. The rates should be tailored to the work location(s).

(4) Profit. (i) A fair and reasonable provision for profit cannot be made by simply applying a certain predetermined percentage to the total estimated cost. Rather, profit should be established as a percentage/dollar amount after considering such factors as:

- (A) Degree of risk;
- (B) Nature of the work to be performed;
- (C) Joint venture responsibilities;
- (D) Extent of offeror's investment;
- (E) Subcontracting of work; and
- (F) Other criteria discussed in FAR 15.404-4.

(ii) Separate percentage rates for profit are also required for major subcontractors.

(5) Markup. The offeror may request a markup on subcontract labor. If it does so, it should state the percentage and provide a justification for that figure.

(6) Other Direct Costs. The offeror shall briefly describe the following:

- (i) Travel/Subsistence costs;
- (ii) Subcontractor costs; and
- (iii) How subcontracting costs were analyzed.

(c) Audit Reports. If the offeror or any subcontractor has been audited by a Government agency within the last two years, or has approved indirect cost rates, provide a copy of the audit report, or, if not available, the name, address, and telephone number of the audit office. Similarly, information on any Government-approved indirect cost rates should be provided.

(End of clause)

[75 FR 10570, Mar. 8, 2010; 75 FR 14496, Mar. 26, 2010]

1352.216-70 Estimated and allowable costs.

As prescribed in 48 CFR 1316.307(a), insert the following clause:

ESTIMATED AND ALLOWABLE COSTS (APR 2010)

(a) Estimated Costs. The estimated cost of this contract is \$ _____ [insert total cost of contract], which consists of \$ _____ [insert amount of cost that is reimbursable] for reimbursable costs and \$ _____ [insert amount of fixed fee] for fixed/incentive fee. These costs shall be subject to the provisions of FAR clause 52.232-20, "Limitation of Cost," FAR clause 52.216-7, "Allowable Cost and Payments," and FAR clause 52.216-8, "Fixed Fee."

(b) Subject to Availability of Funds [Insert paragraph (b) when the contract is issued subject to the availability of funds].

"The amount of funding for this contract is \$ _____ [insert amount being funded], which consists of \$ _____ [insert amount of reimbursable costs funded] for reimbursable costs and \$ _____ [insert amount of fixed fee funded] for Fixed/Incentive Fee. These costs shall be subject to the provisions of FAR 52.232-22, "Limitations of Funds.""

(c) Allowable Costs.

(1) Final annual indirect cost rate(s) and the appropriate base(s) shall be established in accordance with FAR Subpart 42.7, in effect for the period covered by the indirect cost rate proposal.

(2) Until final annual indirect cost rates are established for any period, the Government shall reimburse the contractor at billing rates established by the Contracting Officer (or cognizant Federal agency official) or auditor in accordance with FAR 42.704, subject to adjustment when the final rates are