

## 15.305 Proposal evaluation.

(a) Proposal evaluation is an assessment of the proposal and the *offeror's* ability to perform the prospective contract successfully. An agency *shall* evaluate competitive proposals and then assess their relative qualities solely on the factors and subfactors specified in the *solicitation*. Evaluations *may* be conducted using any rating method or combination of methods, including color or adjectival ratings, numerical weights, and ordinal rankings. The relative strengths, *deficiencies*, significant *weaknesses*, and risks supporting proposal evaluation *shall* be documented in the contract file.

(1) *Cost or price evaluation*. Normally, competition establishes price reasonableness. Therefore, when *contracting* on a firm-fixed-price or fixed-price with economic price adjustment basis, comparison of the proposed prices will usually satisfy the requirement to perform a price analysis, and a cost analysis need not be performed. In limited situations, a cost analysis *may* be appropriate to establish reasonableness of the otherwise successful *offeror's* price (see [15.403-1\(c\)\(1\)\(i\)\(C\)](#)). When *contracting* on a cost-reimbursement basis, evaluations *shall* include a *cost realism* analysis to determine what the Government *should* realistically expect to pay for the proposed effort, the *offeror's* understanding of the work, and the *offeror's* ability to perform the contract. *Cost realism* analyses *may* also be used on fixed-price incentive contracts or, in exceptional cases, on other competitive fixed-price-type contracts (see [15.404-1\(d\)\(3\)](#)). (See [37.115](#) for uncompensated *overtime* evaluation.) The *contracting officer shall* document the cost or price evaluation.

(2) *Past performance evaluation*.

(i) *Past performance* information is one indicator of an *offeror's* ability to perform the contract successfully. 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 [subpart 9.1](#).

(ii) The *solicitation shall* describe the approach for evaluating *past performance*, including evaluating *offerors* with no relevant performance history, and *shall* provide *offerors* an opportunity to identify past or current contracts (including Federal, State, and local government and private) for efforts similar to the Government requirement. The *solicitation shall* also authorize *offerors* to provide information on problems encountered on the identified contracts and the *offeror's* corrective actions. The Government *shall* consider this information, as well as information obtained from any other sources, when evaluating the *offeror's past performance*. The source selection authority *shall* determine the relevance of similar *past performance* information.

(iii) The evaluation *should* take into account *past performance* information regarding predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement when such information is relevant to the instant *acquisition*.

(iv) In the case of an *offeror* without a record of relevant *past performance* or for whom information on *past performance* is not available, the *offeror may* not be evaluated favorably or unfavorably on *past performance*.

(v) The evaluation *should* include the *past performance* of *offerors* in complying with subcontracting

plan goals for small disadvantaged business (SDB) concerns (see [subpart 19.7](#)).

(vi) For *offerors* that are joint ventures, the evaluation *shall* take into account *past performance* of the joint venture. If the joint venture does not demonstrate *past performance* for award, the *contracting officer shall* consider the *past performance* of each party to the joint venture.

(3) *Technical evaluation*. When tradeoffs are performed (see [15.101-1](#)), the source selection records *shall* include-

(i) An assessment of each *offeror's* ability to accomplish the technical requirements; and

(ii) A summary, matrix, or quantitative ranking, along with appropriate supporting narrative, of each technical proposal using the evaluation factors.

(4) *Cost information*. Cost information *may* be provided to members of the technical evaluation team in accordance with agency procedures.

(5) *Small business subcontracting evaluation*. *Solicitations must* be structured to give *offers* from small business concerns the highest rating for the evaluation factors in [15.304\(c\)\(3\)\(ii\)](#) and (c)(4).

(b) The source selection authority *may* reject all proposals received in response to a *solicitation*, if doing so is in the best interest of the Government.

(c) For restrictions on the use of support contractor personnel in proposal evaluation, see [37.203\(d\)](#).

**Parent topic:** [Subpart 15.3 - Source Selection](#)