

A/E Selection Guide

CHAPTER 2. PLANNING

2.1 Project Planning

The procedure for developing a POR and apportioning funds for construction projects is beyond the scope of this guide. This chapter describes considerations in developing an acquisition after the need has been identified for A-E services for a specific project or for establishment of an indefinite-delivery contract.

2.2 Acquisition Plan

Formal acquisition planning documents are not required for A-E acquisitions.³ However, given the length of the process, it is important to identify and schedule requirements for A-E services early in the project planning. The complete A-E acquisition process through award typically requires from six to twelve months. The initial selection phase, in which firms are ranked and the selection is approved by the selection authority, may be done within four months. The contract award phase, including proposal preparation, negotiation, contract preparation, and pre-award approvals requires a minimum of two months and may be considerably longer. The sequence of events leading to award of an A-E contract is illustrated in Exhibit I, ([EXH 1.DOT](#)).

2.3 POR Approval and Certification of Funds

To avoid needless waste of private resources, the Government must have the ability and a good faith intention of entering into a contract when it requests the public to respond to a solicitation. This requires that funds be available or be reasonably expected to be available to make a timely contract award. As a result of advance planning, project officials may be aware of a requirement for A-E services before the POR or similar document is approved and before funds have been apportioned and certified. Some acquisition planning activities, described in more detail in following sections, can be accomplished prior to POR approval and certification of funds:

- Members of the evaluation board can be appointed.
- The general description of the requirement to be included in the public announcement can be drafted.
- The selection criteria and rating plan can be written.
- The set-aside decision can be made if sufficient information is available.
- The SOW can be drafted.

Other activities can be accomplished prior to POR approval and fund certification if essential to meet an urgent schedule:

- The CBD announcement can be published, provided there is a written statement from the IHS Financial Management Officer that funding is expected to be certified within 60 days. Wording must also be included in the Commerce Business Daily (CBD) announcement to the effect that design funds are expected to be received in the near future, and that the award of the A-E contract is subject to the receipt of these funds.
- The short list can be established. Interviews with the short listed firms and final selection cannot proceed until the POR or similar document is approved, since the firms cannot be expected to discuss their proposed technical approach without knowing the specific technical and program requirements established for the project.

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Indefinite delivery contracts do not have POR considerations since they are by nature for requirements described only in general terms. Requirements-type IDCs do not require funding for award of the master contract while indefinite-quantity-type IDCs do require funds for award.

2.4 A-E Evaluation Board Appointment

The Appointing Authority may establish one or more permanent evaluation boards or may appoint evaluation boards on an as-needed basis for individual A-E acquisitions (ad hoc boards). Exhibit II, Selection Board Appointment, is a sample memorandum for appointment of evaluation board members. ([EXH 2.DOT](#)) Each board consists of at least five members of whom a majority must be Government employees who are licensed/registered professional architects or engineers. A majority of the panel must also have completed the DHHS Project Officer Training course.⁴ The board may also include highly qualified professionals who are non-government employees and have special expertise related to the acquisition. The appointing authority must designate one licensed/registered professional member of each board, who must be a government employee, as the chairperson. After notification that a board has been appointed, the contracting officer briefs the board on its responsibilities for handling information received in the selection process and avoiding conflicts of interest. See Exhibit X, Contracting Officer Briefing Memo, for a sample. A minimum of three board members, two of whom must be licensed/registered, is needed for a quorum. ([EXH 10.DOT](#))

2.5 Contract Type

The evaluation board, in consultation with the contracting officer, determines what type of contract best suits the requirement. The preferred approach is to use firm-fixed-price contracts, under which the A-E undertakes to furnish a finished design within a stated price and takes the responsibility for gains or losses resulting from unexpected cost underruns or overruns. If circumstances are such that costs cannot be predicted with reasonable certainty, it may be appropriate to use a cost reimbursement contract. It is possible to make only certain elements of a contract subject to cost reimbursement. A common example is airfare.

If the requirement is suitable for an indefinite delivery contract, a decision must be made whether to use a requirements-type or an indefinite-quantity type arrangement and whether to award multiple contracts for the same scope of work. The objective in defining the scope and type of an indefinite delivery contract is to avoid conflict with the intent of the Brooks Bill. The IDC must be structured to provide reasonable assurance that the firm used for a particular job under the IDC would probably have been the firm selected as most highly qualified if a formal selection process had been done for that job. If the scope of work is too broad, it's less likely that a single firm or small group of firms would be most highly qualified for each order under the IDC. In that case, the requirement must be divided into more narrowly defined types of work.

If the scope of the requirement is narrow enough that one firm will be the highest qualified for every task order, a single award contract may be appropriate. In that case, a requirements-type contract (which can only be used in a single award scenario) may be preferable to an indefinite-quantity type contract if there is a perceived advantage in pricing or if funding is not available to guarantee a minimum order.

Federal procurement policy gives preference to making multiple awards.⁵ By definition, there are at least three firms rated as highly qualified to perform the work by the time a final A-E selection is made. For an IDC, with a general scope of work and a potential ordering period of five years, a multiple award is probably more consistent with the intent of the Brooks Bill than a single award. Under a multiple award, the individual qualifications of each of two or more highly qualified firms can be considered and award can be made to the most highly qualified firm considering the specific requirements of each task order. However, if the volume of work is small, the cost of administration of multiple contracts may outweigh the benefit.

If multiple awards are used, the CBD announcement and the contracts must describe the criteria that will be

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used to select among the contract holders for award of task orders.⁶ The criteria must provide each contractor a fair opportunity to be considered for each order. Allocation schemes based on total amount awarded or pre-set rotations should be avoided.

2.6 Selection Criteria

As described above, the evaluation board is responsible for establishing the criteria for evaluation of contractor qualifications and identifying the relative importance of each item before an announcement is published in the CBD. FAR 36.602-1 (a) lists the following mandatory criteria:

- Professional qualifications necessary for satisfactory performance of required services;
- Specialized experience and technical competence in the type of work required, including, where appropriate, experience in energy conservation, pollution prevention, waste reduction, and use of recovered materials;
- Capacity to accomplish the work in the required time;
- Past performance on contracts with Government agencies and private industry in terms of cost control, quality of work, and compliance with performance schedules;
- Location in the general geographical area of the project and knowledge of the locality of the project; provided, that application of this criterion leaves an appropriate number of qualified firms, given the nature and size of the project; and
- Acceptability under other appropriate special criteria.

2.7 Set-Aside Decision

IHS policy for architect-engineering services, as stated in the Director's February 7, 1995, memorandum is to set aside A-E requirements under the Buy Indian authority when there are three or more qualified Indian firms available to satisfy the requirements.⁷ A firm is eligible for award under authority of the Buy Indian Act if it is fifty-one percent (51%) Indian owned, controlled, and operated.⁸ If current qualification data is maintained on file, the board may have sufficient information to determine that three or more Indian firms are available which can likely qualify for the short list using the established selection criteria. If so, the board would recommend that the contracting officer set the acquisition aside for Indian firms. If the board believes there are not three Indian firms capable of being determined qualified and eligible for award, it should recommend to the contracting officer that the acquisition not be set aside and document the reasons for its recommendation.

If there is insufficient information on available firms for a particular requirement, it may be necessary to defer the set-aside decision until new and updated qualification statements are obtained through public announcement.

If not set aside for Indian firms, the acquisition must be considered for a set aside for small business. A-E services are one of several targeted industry categories of services designated for participation under the Small Business Competitiveness Demonstration Program. Under the program, A-E services are periodically exempted from small business set aside requirements. The IHS Small Business Manager and the Small Business Technical Advisors located in each contracting activity maintain current information on the status of this program.

2.8 Public Announcement

Federal policy is to publicly announce all requirements for A-E services.⁹ When the requirement is anticipated to exceed \$25,000, it must be synopsisized in the CBD and allow a 30 day period for response

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from the date of publication for receipt of responses. Under \$25,000, the requirement may be publicized by posting a notice in a public place in the contracting office for at least ten days.¹⁰

Announcements published in the CBD must contain the following elements:

- Summary of the scope of work involved. This should be sufficiently detailed to allow the firm to make an informed judgment as to whether it is capable of performing the work.
- Project location.
- Estimated cost range.
- Estimated performance period.
- Criteria to be used in selecting the A-E contractor. The criteria must be consistent with the requirements listed in FAR 36.602-1(a), and must be listed in order of significance (weight), beginning with the most important criteria.
- The type of contract anticipated (normally firm-fixed-price).
- A statement that the acquisition is a set-aside for Indian owned firms or small businesses, as applicable.
- Any other special requirements or restrictions affecting selection, such as geographic restrictions. Although additional evaluation points may be awarded for offerors located in proximity to the project site, competition may not be restricted to firms located in a specific geographical area (that is, in a particular state or set of states) unless the contracting officer has approved a written justification that this restriction is necessary for the contractor to successfully perform the contract. Similarly, a requirement for professional registration in a specific state must also be justified based on objective factors; for example, knowledge of permafrost conditions. Exhibit V, Justification for Restriction, is an example of a justification for restriction to a specific state professional licensing requirement. ([EXH 5.DOT](#))
- References to applicable CBD numbered notes. These are notes containing standard information, which can be referred to by number to save space. See Exhibit IV, CBD Numbered Notes, for the text of numbered notes applicable to A-E announcements. ([EXH 4.DOT](#))

The evaluation board provides a draft synopsis of the work requirement and the evaluation criteria to the contracting officer, along with a recommendation as to whether the acquisition should be set aside or conducted on an unrestricted basis. Exhibit III, CBD Synopsis, is an example. The contracting officer, makes a set aside determination, finalizes the draft synopsis, adds coding and formatting, and submits it to the CBD for publication. ([EXH 3.DOT](#))

2.9 Numerical Rating and Ranking System

The evaluation board is responsible for developing a scoring system to use in rating and ranking submittals. The system will provide a method for each evaluator to independently assign a numerical score and rank to each firm. The rankings from individual evaluators are then used to calculate a composite ranking. The elements of the numerical rating system are:

- Evaluation Weight Factor: Evaluation weight factors must be established by the board for each of the evaluation criteria. Each criterion must be assigned a numerical value on a scale of 1 to 10 to reflect the relative importance of the criteria elements to each other. See Exhibit VI, Evaluation Criteria and Weight Factors, for an example. ([EXH 6.DOT](#))
- Rating Factor: The individual board member must rate each firm on a scale of 1 to 10 on every

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evaluation criterion. The rating must reflect the member's judgment as to how well the firm meets the requirements of the evaluation criteria.

- Rating Score: The product of the evaluation weight factor and the rating factor. The total score for the firm is the sum of the rating scores for each evaluation criterion. See Exhibit VII, Score Form, for an example. ([EXH 7.DOT](#))
- Ranking: Each board member must rank the top five firms based on the total scores established from his/her ratings of the submittals. These rankings must be reported to the board and recorded.

The overall ranking scores are determined by awarding ranking points to firms in the following manner:

- First position - seven (7) points,
- Second position - five (5) points,
- Third position - three (3) points,
- Fourth position - two (2) points, and
- Fifth position - one (1) point.

Each firm's ranking scores from all the board members are summed and the totals are used to establish the composite ranking. Based on the composite ranking, the board identifies at least three firms for further consideration. These firms comprise the "short list." Exhibit VIII, Individual Evaluation Summary ([EXH 8.DOT](#)) and Exhibit IX, Selection Evaluation Summary ([EXH 9.DOT](#)), show sample formats for manual entry. An Excel spreadsheet format is at [AE RANK.XLS](#).

When the composite ranking result in two or more firms being tied for the same rank, the tie is broken by using the sum of the individual board members' raw scores for each firm. See Exhibit IX, Selection Evaluation Summary, for an example. ([EXH 9.DOT](#))